Northeast Cooperative Council
2015 Annual Report

Information          Education          Collaboration
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.

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.

Northeast Cooperative Council Officers

President:
Cynthia Van Lieshout
Upstate Niagara Cooperative, Inc.
Buffalo, NY

Vice President:
Rob Smith
National Grape Cooperative Association
Westfield, NY

Treasurer:
Stephen Tudhope
Farm Credit East, ACA, Batavia, NY

Executive Secretary:
Roberta Severson
Cornell University, Ithaca, NY
A year ago the Northeast Cooperative Council was in the final phase of collecting input from our members to move forward with the organization’s strategic plan. We have identified the strengths of the NECC to be the variety of members in size, products marketed and services they provide on behalf of their member-owners. We have a long history—this being our 66th Annual Meeting and Leaders Forum and a long-standing relationship with Cornell University, College of Agriculture and Life Sciences (CALS). We are unique in that we are the only agricultural organization based in the northeast centered on creating a forum to foster the exchange of ideas between cooperative leaders. We sponsor educational workshops and conferences targeted towards those interested in the cooperative business model.

This past year we renewed the Memorandum of Understanding between the Council and Cornell University Charles H. Dyson School of Applied Economics and Management. Ongoing budget constraints experienced by CALS require that Extension efforts such as the Cooperative Enterprise Program secure 100 percent external funding to cover all costs. The NECC is funding 0.5 FTE through the MOU to cover the costs of NECC program delivery through the efforts of the Executive Secretary who also serves as the Director of the Cooperative Enterprise Program.

One of the key concerns of NECC members is the need to rebuild the labor force inside of our respective cooperatives due to pending retirements in the next five to ten years. Concerns have been raised that many new employees and students do not understand the unique aspects of a cooperative-structured business. Talented young adults will be needed to fill these positions in the near future. The NECC Leaders Forum provides a way for students to learn about cooperatives. I am happy to report that we have double the number of students registered for the Leaders Forum this year compared to last year. At last year’s Leaders Forum we inaugurated the first Upcoming Leaders Breakfast for early career employees, students, and college faculty. New employees and students learned how to position themselves for career advancement. While geared towards new hires, more seasoned employees felt there were useful tips that would benefit their career advancement as well.

This past year the NECC launched the Cooperative Internship Recognition Award (CIRA). The award recognizes outstanding students enrolled in northeastern colleges and universities who successfully complete an internship with an NECC member cooperative. The award was promoted through our member cooperatives and through college placement offices. The NECC Cooperative Leadership Fund will provide the $1,000 cash award. This award is in collaboration with NECC Associate member, the Cooperative Development Institute. The NECC is pleased to recognize Miriam Lipschutz, University of Vermont student who successfully completed an internship with Agri-Mark, Inc. as our first CIRA recipient.

I represented the Council at the first TALENT WANTED: Cornell University Symposium on Cooperative Careers. This was a collaborative effort between the NECC and Cornell University Cooperative Enterprise Program. I thank our members—CoBank, Ocean Spray and CHS, Inc. for their respective presentations on finance, global marketing, and corporate social responsibility and I am appreciative of Nationwide Insurance for addressing the topic of data analytics.

The NECC also convened the 36th Future Cooperative Leaders Conference, “Managing Your Membership” in Gettysburg, PA. The Conference Planning Committee led by Gordon Hoover, Land O’Lakes, Inc. and Gary Heckman, AgChoice Farm Credit, concentrated on member engagement from the member to the delegate to committee membership to the role of directors. The group also toured the Gettysburg Battlefield and gained universal leadership insights from lessons learned from the battle. We expect to host the 37th Future Leaders Conference in 2017.

In closing, I thank our member cooperatives for their loyalty and commitment. NECC board member, William Nelson representing CHS Inc. retires from the board this year. The Council is grateful for the insights that William provided and the support of the CHS Foundation. The Council board of directors is appreciative of the efforts of Executive Secretary Bobbie Severson and Cornell University liaison Todd Schmit. The NECC looks forward to delivering programs relevant to our members.

Cynthia Van Lieshout
President
EVALUATION—We all do it or should do it. We evaluate the performance of our cooperative. We evaluate the performance of our CEOs and we do 360° evaluations of board members. Evaluation comes in many forms—benchmarking, trend analysis, electronic surveys, paper questionnaires, and sometimes anecdotal story-telling can provide useful tools for analysis. Evaluations are important to identify needs, determine trends, measure the present, allocate resources, and strategically plan for the future.

The NECC is recognized for the training it provides cooperative leaders. Directors and management have indicated a need to attract the best and brightest students to become their future employees. The Leaders Forum is one of several means by which students have interacted with cooperative leaders. NECC members utilize other mechanisms, i.e. internships, on-campus recruitment, Farm Credit Fellows, and Farm Credit Ambassadors to attract talented students. College faculty indicate that the Leaders Forum is an important opportunity for students to learn more about the farm and food sector and interact with cooperative leaders. At the 64th Leaders Forum less than 10 students from Cornell University attended the event. At the 65th Leaders Forum and Annual Meeting, 15 students from 4 universities attended and five of students are known to have secured employment with NECC member cooperatives following graduation. This year we have almost 40 students attending from 4 universities. How many of these students will be future employees or members of NECC cooperatives? A trend seems to be building.

Evaluation is also used to allocate resources for new initiatives. The NECC strategic plan identified a need to raise awareness of cooperative businesses beyond the Leaders Forum. The TALENT WANTED: Cornell University Symposium on Cooperative Careers was a first time event to bring awareness to students of employment opportunities in cooperative-structured businesses based on their academic and career interests. The Symposium was promoted to 18 colleges and universities throughout the Northeast with requests made to over 300 faculty and college placement offices to encourage students to attend the event. The NECC and Cornell University Dyson Undergraduate Council (DUCS) were key collaborators of the event. The Dyson/CALS Director of Interactive Services associated with the Cornell Student Services office was very pleased with the event. Based in her experience with similar events targeted towards students, she deemed the event a success as 25 students from 3 colleges attended. More importantly 2 students reached out to NECC member organizations for more information about career opportunities following the conference and those completing the event evaluation said it was worthwhile and they would recommend it to a friend.

Evaluation is an important tool to measure the efficacy of legacy programs. The NECC convened the 36th Cooperative Leaders Forum this past March with 8 cooperatives sponsoring 25 future leaders from 6 states. The goal of the conference was to build the leadership skills of young farmers and raise their awareness of the opportunities to become more engaged members in their respective cooperatives. Participants rated the conference a 4.58 of 5.00. The evaluation showed they were impressed with the differences between cooperatives, the integrity of the speakers, and the importance of trust. There was a definite shift in their present engagement and their increased willingness to become more involved in their respective cooperatives in the future by advocating on policy issues, serving as committee members or delegates and confidence in talking with their respective directors.

The Northeast Cooperative Council will continue to evaluate its programs and collaborations as a means to bring value to its members. Please feel free to contact me or any NECC board member with your ideas on how the organization can be of greater benefit to you….and please, complete the conference evaluation.

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. DYSON and CEP greatly appreciate the continuing financial support the NECC provides to cooperative education, extension, and research at Cornell University. I am excited about our future work together! Along with Roberta (Bobbie) Severson (Director, CEP; Executive Secretary, NECC) we are expanding the CEP at Cornell through increased industry interactions, innovative and timely research projects, and student cooperative involvement inside the classroom and out.

Last fall, with NECC’s support, we organized the first Cornell University Symposium on Cooperative Careers. Senior management from CoBank (Tom Halverson), Nationwide Insurance (Shannon Terry), Ocean Spray (Paul Stajduhar), and CHS (Danielle Heeren) providing stimulating presentations to students on how cooperatives are solving real world challenges and identified career opportunity paths within their individual cooperatives. Individual breakout sessions allowed for more in-depth discussions with Cornell students in key interest areas of finance, global marketing, data analytics, and corporate social responsibility. We look to organize a similar event in the fall of 2016, in conjunction with a new event, the Northeast College Conference on Cooperatives, organized and supported by the National Farmers Union and CHS.

Our work in identifying best practices and operational business parameters for food hubs in expanding local food systems continues in the state and region, with a particular eye on adaptability through cooperative business structures. This work has included key collaborations with Cooperative Development Institute and the Keystone Development Center. We are also knee-deep in assessing the economic impacts of agricultural cooperatives to the New York State economy. Expect to see more about this soon as we work to collect the important data necessary for such an analysis. Our linkages with the NECC and its member cooperatives will help facilitate this process a great deal.

We are also initiating a new study focused in Northern New York (but with wide reaching implications) regarding the establishment of rural broadband cooperatives in communities lacking this important technology. Working directly with municipalities, household and business residents, and a broadband technology company, we will assess member and cooperative business parameters necessary for feasible development. Along with Prof. Andrew Novakovic, we have a proposal in for Hatch funding to conduct an analysis of contractual arrangements between milk handlers and dairy marketing/bargaining cooperatives. Finally, we are developing a new applied research proposal to comprehensively assess board structure and director characteristics (e.g., diversity, tenure, experience, etc.) and their impact on cooperative performance. We are currently assessing linkages for this project with our peer institutions and academics involved in cooperatives.

We are in the fourth year of the undergraduate course at Cornell on Cooperative Business Management. The course attracts a variety of students from various majors. Guest speakers from NECC member organizations and cooperative development specialists are scheduled throughout the semester. Thanks to funding support provided by the NECC, many of the 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. It’s a great mix of students, by class year and interest areas with respect to the cooperative business model. Development work continues on a hybrid online/interactive co-ops class that we hope will extend the class’s reach and exposure at Cornell, as well as through other SUNY schools and universities in the Northeast. We expect to roll out the course in 2017.

Finally, there are important changes coming regarding the structure of DYSON at Cornell University. The recently announced Cornell College of Business (CCB) will house the Johnson Graduate School of Management, the School of Hotel Administration, and DYSON. There are many conversations, meetings, and interactions with the three independent units and Cornell administration ongoing on how best to maintain and promote our individual identities and research, teaching, and extension foci, while also collectively gaining from a more pronounced presence within business education internationally and to better develop cross-school synergies (i.e., the whole is greater than the sum of the parts). Notably, DYSON will remain in the College of Agriculture and Life Sciences, while also representing one of the three components within the CCB. Identifying the appropriate operational and governance structures to assure continued individual unit productivity and to expand on collective ambitions and goals is obviously not an easy task, but one that I and DYSON are committed to. Our particular foci in agricultural issues and our land grant mission remain as important as ever, and one that I will strongly advocate for. Please feel free to reach out me further as these developments continue.

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 2016, and I look forward to seeing how we can work together... cooperatively!

Thanks!

Todd M. Schmit
Faculty Liaison to the NECC
Agricultural Cooperative Leadership Education: The next NECC Future Cooperative Leaders Conference will be held in 2017 and hosted by Dairy Farmers of America. Look for more information as the agenda and details are developed. The 2015 event was held in Gettysburg, PA on March 25-27, 2015, and co-hosted by AgChoice Farm Credit and Land O'Lakes, Inc. The biennial conference is geared towards cooperative members and employees who will lead cooperatives in the future. Highlights include the roles of cooperative directors and managers, balancing confidentiality and an informed membership, managing change, and the influence of cooperative members. As mentioned above, we look to organize another Cooperative Careers Symposium in fall 2016, in conjunction with the Northeast College Conference on Cooperatives, working with the National Farmers Union and CHS. Bobbie is also active in discussing cooperative enterprises to other colleges and universities in the Northeast, thanks to funding support provided by the NECC Cooperative Leadership Fund.

Emerging Cooperatives and Farmer-owned Enterprises: Bobbie has worked with apiarists with interest in forming a cooperative to develop queen bees. Continuing interest centers around the development of cooperatively-structured food hubs (aggregation, marketing, and distribution organizations), with new research and community education efforts on assessing feasibility parameters for rural broadband cooperatives.

Agricultural Markets and Community Economic Development Program Work Team (PWT): 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. Amongst other things, the PWT organizes the Cornell Agribusiness Strategic Marketing Conference, where the 2015 conference (held in Hyde Park, NY in November) focused on developing the firm brand and according marketing strategies to improve firm performance.

Cooperative Business Management (AEM 2230): We are well into our Spring 2016 class, with a great mix of students from a variety of disciplines. The course provides an evaluation of the fundamental principles, structure, finance, management and governance associated with the cooperative organization, with a focus on agricultural cooperatives. Analyses of the cooperative business organization within the modern economy are emphasized through a mix of lectures, guest speakers, and cooperative business case study discussions. Students from the class are at this year’s NECC Cooperative Leaders Form!

International Agribusiness Study Trip (AEM/FDSC 3290): Cornell’s Agribusiness Fellows Program provides undergraduate students the opportunity to travel abroad to observe and interact one-on-one with agribusiness leaders in different countries. The course gives students direct exposure to the managerial practices essential to the success of agriculture, agribusiness, and food companies competing in the global marketplace. The 2015 field study focused on agricultural and food systems in the Northeast region of England. We are targeting Chile for our next trip in Spring 2017, and have actually teamed up with a Cornell (Ag Econ) Alum, who now directs agricultural educational programs in Chile. Cooperatives in Chile are already on the program! We target majors throughout CALS and receive funding support from numerous University and industry sources, including from NECC member, CHS.

National Cooperative Research Committee. 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 academic and industry conferences. Educational events closer to home include the Agricultural and Food Business Outlook Conference, the Agribusiness Strategic Marketing Conference, and CCE’s Agricultural and Food Systems In-Service, County CCE. Schmit also serves on the Community & Rural Development Institute (CaRDI) Faculty Advisory Committee.
Recent Publications


Cornell Report—Recent Presentations


Local Foods Benchmarking and Outreach, with B.B.R Jablonski, D. Thilmany, C. Laughton, Lending to the Next Generation of Agriculture Conference, Farm Credit Council, Louisville, KY, 15 September 2015.


Building Success of Food Hubs – Through the Cooperative Experience, with T.M. Schmit, National Association of County Agriculture Agents, Sioux Falls, SD, 14 July 2015.


Building Success of Food Hubs – Through the Cooperative Experience, with T.M. Schmit, Farm to Institution, New England, New York State, Amherst, MA, 8 April 2015.

Key Questions Members Should Ask the Leadership Team in Good Times and Bad, 36th Northeast Cooperative Council Leaders Forum, Gettysburg, PA, 27 March 2015.


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<th>United States Agricultural Cooperative Balance Sheet 2014</th>
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(billions $) Source: USDA Cooperative Programs, Education and Research division
Northeast Cooperative Council

AgChoice Farm Credit, ACA
Agri-Mark, Inc.
CHS, Inc.
CoBank, ACB
Dairy Farmers of America
Dairy One
Farm Credit East, ACA
Genex Cooperative, Inc.
Land O’Lakes, Inc.
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
New York State Rural Electric Association
Upstate Niagara Cooperative, Inc.
Yankee Farm Credit, ACA

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Cynthia Van Lieshout
Upstate Niagara Cooperative, Inc.

Eric Zuber
O-AT-KA Milk Products Cooperative Inc.

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 include students from four universities attending the Northeast Cooperative Council Annual Meeting and Leaders Forum and college presentations about cooperative-structured businesses and the role they play in the farm and food sector. Activities such as these are supported through the Cooperative Development Institute, Shelburne Falls, MA in conjunction with the Northeast Cooperative Council.

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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William Nelson
Craig Pollock
Edwin Schoen
Robert Ludwig
Todd Schmit
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Staff and Associates
Roberta Severson, Executive Secretary
Todd Schmit, Cornell Liaison
Erika Rose, Administrative Assistant
A recent report from the U.S. Department of Agriculture (2014) indicates there are 152 cooperatives doing business in New England, New York and Pennsylvania with gross sales volume of $9.03 billion and net business volume of $7.94 billion. In addition, the Farm Credit system has over $7.47 billion in loan volume in a similar geographical area.

**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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