Northeast Cooperative Council

2014 Annual Report

Information  Education  Collaboration
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

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Upstate Niagara Cooperative, Inc.
Buffalo, NY

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National Grape Cooperative Association
Westfield, NY

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Stephen Tudhope
Farm Credit East, ACA, Batavia, NY

Executive Secretary:
Roberta Severson
Cornell University, Ithaca, NY
President’s Report

Cooperatives are not a perfect business model, but they are an enduring model. This year has been a year with lots of changes and challenges for NECC. As you are all aware the Memorandum of Understanding with Cornell University is expiring June 2015. The NECC Board and NECC/Cornell Advisory Committee have been working very diligently on your behalf to forge a renewed relationship with Cornell University that will serve the interests of both parties. Extension programs such as the Cornell University Cooperative Enterprise Program are no longer directly funded through the University. Extension programs are funded through contracts and grants secured from sources outside of the university. After much deliberation the NECC board of directors decided to revise the organization’s dues structure to fund the contract between the organization and Cornell University, Charles H. Dyson School of Applied Economics and Management. We believe this will help fulfill our mission to stimulate the overall effectiveness of member organizations by increasing the understanding of the power of the cooperative business model among directors, advisors, and educators through a working partnership of cooperative leaders and faculty at Cornell University.

Additionally, we have also formalized an agreement with an NECC Associate member, the Cooperative Development Institute. This will allow us to access funds of the NECC Cooperative Leadership Fund invested through the Cornell University Foundation. Our current plans include using the funds to support students enrolled in colleges and universities in the NECC service area to attend events that focus on cooperative education and leadership and provide awards to worthy students who intern with an NECC cooperative member. I am happy to report that students from Cornell University, Morrisville State College, SUNY College of Agriculture and Technology at Cobleskill, SUNY College of Technology, Alfred, and The Pennsylvania State University have accepted our invitation to attend the 2015 Leaders Forum. The NECC plans to partner with our member cooperatives to recognize outstanding students enrolled in a college or university in New York, New England, or Pennsylvania who successfully complete an internship through the Cooperative Internship Award Program. We will be building programs geared towards cooperative employees. We are also planning a symposium with Cornell faculty. The event will provide an opportunity to learn about research and teaching efforts and build relationships between the University and the agricultural cooperative community.

The NECC board thanks you for your continued support especially with the new MOU changes. I hope your year is very productive both on the farm level and cooperative level. I extend my appreciation to Mike Oleksak who served on the board and as Vice President during his tenure with CoBank. We were saddened to learn of the passing of Paul Saenger who presented thoughtful insight to the board as he represented Yankee Farm Credit. I would like to give a special thank you to Todd Schmit, Bobbie Severson and Carol Thomson for all their hard work and marvels in 2014. Also a thanks to all of you for your support as we will deliver benefits to our members in 2015 and beyond.

Cynthia Van Lieshout
President
Succession planning is at the forefront of many cooperative structured businesses and new leaders and members need to be identified and empowered to move their respective organizations forward to remain competitive in tomorrow’s global economy. The NECC’s purpose is to provide leadership development to cooperative board members and management and the organization’s Cooperative Leadership Fund is designated to support the scholarship and research of cooperative-structured businesses. As you are well aware, the signature event of the organization is the annual Leaders Forum where leaders of agricultural and finance cooperatives come together. Networking is a critical component of the event. Some of last year’s ‘take aways’ included: “the importance of testing your assumptions, by speaking up in the board room, you may empower others to speak their mind; there is no ‘free’ cash’ which can and will impact co-op decisions and focus, and CEOs unfamiliar with cooperative-structured businesses tend to remain in the position no more than three years.”

The organization is working to prepare the next generation of cooperative leaders and members. Last year, Josh Smith a student at SUNY Morrisville said, “Thank you for inviting the Morrisville students. I thought that this was a great experience.” I am pleased that students from four universities registered for the conference this year. The NECC is providing another opportunity for students by providing cash awards for up to five students enrolled in a college or university in New York, New England, or Pennsylvania who successfully intern with one of our member cooperatives. More details will follow. Critical to a successful succession plan is providing learning opportunities for young farmers and employees. I thank our newest members—AgChoice Farm Credit, ACA, Gary Heckman and Land O’Lakes, Inc. Gordon Hoover for hosting the upcoming Future Leaders Conference, “Managing Your Membership” in Gettysburg, PA. Over twenty-five persons representing eight cooperatives will be attending the event.

As any organization moves through its life cycle, strategic planning becomes critical to its success. As part of the renewal of the Memorandum of Understanding between the Council and Cornell University, the organization initiated a strategic planning process that will be completed in the coming year. Like cooperative-structured businesses, organizations such as the NECC are successful as they meet the needs of their members. I look forward to receiving your comments on how the organization can become added-value to your cooperative.

I thank CoBank, ACB for the support provided for this year’s Leaders Forum, CHS, Inc. for sponsoring lunch for the Leaders Forum, and Farm Credit East, ACA for sponsoring the Upcoming Leaders Breakfast. I would be remiss to not mention Mike Oleksak and his leadership in planning the Leaders Forum and the sadness in the passing of Paul Saenger, who served on our board. Congratulations are in order to NECC Board member William Nelson who will be inducted into the Cooperative Hall of Fame.

Roberta M. Lemon
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.

In December 2014, I participated in the strategic planning session of the NECC. I walked out the doors further inspired by the collaborative work we do and appreciative of the financial support the NECC provides to cooperative education at Cornell University. The new memorandum of understanding between NECC and Cornell extends our formal commitment through June 30, 2018 and I look forward to exploring ways that the NECC and DYSON can increase the mutual benefits of our collaboration. A recent grant from the CHS Foundation Cooperative Education Program will also be used to support professional capacity building of the CEP and the development of ongoing programming efforts.

It has been a pleasure to continue to work with Roberta (Bobbie) Severson, Extension Associate and Director of the CEP, and Executive Secretary of your NECC. In addition to her NECC duties, Bobbie has been managing several applied research and extension projects related to cooperative business structure performance and development. The CEP, in collaboration with the Cooperative Development Institute and the Keystone Development Center will be hosting several workshops in the Northeast next year focused on developing farmer cooperative food hubs to meet growing wholesale and institutional demands for local foods. Similar projects are happening in Northern New York in collaboration with the county CCE associations, to examine the potential for cooperative marketing opportunities. We’ve also received funding this year to examine the economic impact of agricultural cooperatives in New York State (we hope to extend the study to the Northeast and mid-Atlantic regions following the initial focus). Considerable data collection efforts will be necessary for the analysis and our linkages with NECC and its member cooperatives will help facilitate this process a great deal.

We are in the third year of the undergraduate course at Cornell on Cooperative Business Management. The course attracts a variety of students from various majors. Several guest speakers from NECC member organizations 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. New in development this year, is an online 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 the online course out next year!

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 2015, 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: Bobbie and the NECC have been hard at work in preparing for Future Cooperative Leaders Conference to be held this year in Gettysburg, PA on March 25-27, 2015, and co-hosted by AgChoice Farm Credit and Land O’Lakes, Inc. Presentations are 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. 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 several emerging organizations and USDA agencies considering the cooperative business model. Development areas included a potential dairy cooperative enterprise, an integrated production and energy operation, and rural broadband infrastructure.

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. Amongst other things, the PWT organizes the Cornell Agribusiness Strategic Marketing Conference, where last year’s conference (held in Canandaigua, NY) focused on emerging/alternative markets, market/product diversification, and evaluation of marketing methods. Look for next year’s conference in November 2015!

Cooperative Business Management (AEM 3260): We are well into our Spring 2015 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 (administered through AEM/FDSC 3290 – International Agribusiness Study Trip) 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 will take place between March 28th and April 4th and will focus on agricultural and food systems in the Northeast region of England. We will be based out of Newcastle upon Tyne, with planning assistance and instruction provided by the School of Agriculture, Food, and Rural Development at Newcastle University. Twenty-two CALS students have been selected, majoring in Applied Economics and Management, Food Science, Agricultural Sciences, International Ag and Rural Development, Viticulture and Enology, Plant Science, and Animal Science. Funding is received 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 extension, national, and educational events, including the Agribusiness Economic Outlook Conference, CCE’s Agricultural and Food Systems In-Service, County CCE. Schmit also serves Community & Rural Development Institute (CaRDI) Faculty Advisory Committee.
Recent Publications


Cornell Report—Recent Presentations


Severson, R.M. Farm Machinery Cooperatives: Consideration, Computations, Collaborations, Northeast Region Certified Crop Advisor Training, Syracuse, NY 3 December 2014

Severson, R.M. Food Hubs: Opportunities and Obstacles, CCE Agriculture and Food Systems In-service, Ithaca, NY 18, November 2014.

Severson, R.M. Cooperatives: Building Value for the Farm and Food System, Farm Management AEM 3020 Cornell University, 29 October 2014


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 Food Hubs, Spring Conference, with B. Jablonski, National Good Food Network Food Hub Collaboration, 27 March 2014.
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

Northeast Cooperative Council Associate Members

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

Annual Meeting Planning & Director Development Committee
- Michael Oleksak, Chair
- Jean Angelini
- Gary Heckman
- Celeste Kane-Stebbins
- Bob Ludwig
- Jacques Parent
- Edwin Schoen
- Cynthia Van Lieshout

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- William Nelson
- Craig Pollock
- Rob Smith
- Stephen Tudhope
- Cynthia Van Lieshout
- Eric Zuber
- Wayne Knoblauch
- Todd Schmit
- Chris Watkins

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- David Hayes
- Gary Heckman
- Gordon Hoover
- Craig Pollock

Future Leaders Conference Committee
- Gary Heckman, Chair
- Mike Davis
- Gordon Hoover
- Celeste Kane-Stebbins
- Rob Smith
- Charles Sullivan
- Cynthia Van Lieshout

Director and Officer Nominating Committee
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- Jacques Parent
- Craig Pollock

Budget and Finance Committee
- Stephen Tudhope, Chair
- Rob Smith
- Jay McWatters

Auditing Committee
- Kenneth Fisher, Chair
- Sue Herman

Staff and Associates
- Roberta Severson, Executive Secretary
- Carol Thomson, Administrative Assistant
- Todd Schmit, Cornell Liaison
A recent report from the U.S. Department of Agriculture (2013) indicates there are 130 cooperatives doing business in New England, New York and Pennsylvania with 24,600 memberships, gross sales volume of $8.22 billion and net business volume of $7.13 billion. In addition, the Farm Credit system has over 21,000 members with over $7.47 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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www.cooperatives.aem.cornell.edu