

## NCERA-194

**Date of Annual Report: 9-20-2011**

### **Report Information:**

- Annual Meeting Dates: 11/02/2011
- Period the Report Covers: 11/2010 to 11/2011

### **Participants:**

- Chair: Jennifer Bond, Colorado State University, Vice Chair- Julie Hogeland, USDA, Secretary, John Park, Texas A&M. Treasurer. Members in attendance: Chris Appleby, Colorado State University, Sanjib Bhuyan, Rutgers University, Jennifer Bond, Kansas State University, Michael Boland University of Minnesota, Brian Briggeman, Kansas State University, Dennis Conley, University of Nebraska, Shermain D. Hardesty, University of California-Davis Brian M. Henehan, Cornell University Brent Hueth University of Wisconsin-Madison Phil Kenkel, Oklahoma State University, Greg McKee, North Dakota State University, Burton Pfluger , South Dakota State, Lynn Pitman, University of Wisconsin, Anne Reynolds, University of Wisconsin-Madison Center for Cooperatives, Madeline Schultz, Iowa State University, William Nelson, CHS Foundation ,

### **Brief Summary of Minutes of Annual Meeting:**

NCERA-210 Business Meeting  
Radisson Plaza Hotel Minneapolis  
November 2, 2011

#### In Attendance

Steve Lovejoy, Chris Appleby, David Barton, Sanjib Bhuyan, Mike Boland, Jennifer Bond, Brian Briggeman, Denis Conley, Brain Henehan, Ann Hoyt, Brent Hueth, Phil Kenkel, Greg McKee, William Nelson, Burton Pfluger, Anne Reynolds, Madeline Schultz, Lynn Pitman

Jennifer Bond called the meeting to order at 4:00 p.m.

#### Chair Report

Jennifer Bond discussed the procedures and timeline for the reauthorization of NCERA-210 which must be initiated in fall of 2012. She provided the schedule of the reauthorization process which included a letter of intent by 9-15-2012, Objectives by 10-15-12, Full Proposal by 12-1-2012, with Initial review Feb 2013, Committee review March 2013, and NCRA directors review in April 2013. Jennifer indicated that the committee needed to develop a draft of the reauthorization prior to the 2012 meeting.

A question arose on the procedures for membership in NCERA-210. Phil Kenkel described the procedures for membership in NCREA-210 which requires the experiment station director enrolling the member. There is also a procedure for those outside the land grant system to gain membership. Steve Lovejoy added that experiment station directors will often authorize more than one member to attend but only provide funds for a single member. He also added that the unofficial membership maintained by NCERA-210 does not match the official membership list on the NIMSS system. A discussion on the need to update the group membership list and listserv ensued.

#### Administrative Advisor Report

Steve Lovejoy confirmed the deadlines and encouraged the group to plan in advance for the process. He added that the process has been organized to keep the groups working through the process. He discussed the fact that experiment station directors are being more critical in their review of the objections and the group's impact's. He also discussed the funding process and indicated that travel funding comes from targeted multi-state extension Hatch funds. He confirmed that individuals outside the North Central region can be involved but the North Central states will not pay for that travel. In all other respects there is no problem w

#### Secretary Report

Phil Kenkel moved to approve the Secretary's report which is posted on the NCERA-210 web site. Sanjib Bhuyan seconded the motion. The motion passed.

#### Treasurer Report

Brent Hueth reported the fund account is being moved from Kansas State to the University of Wisconsin. The formalities took a lot of time, which are completed now, but the funds are not transferred yet. Brent indicated that he will be better able to report on the funds more easily in the future. He also indicated that due to the lower attendance this year, the committee may not cover all of the expenses of this meeting and will have to be drawn from the reserve fund.

Phil Kenkel moved to approve the Treasurer's report. Sanjib Bhuyan seconded the motion. The motion passed.

#### eXtension Update

Madeline Schultz provided a report on eXtension. West Central Cooperative, CHS Foundation, USDA Rural Development, and ISU Value Added Ag Program provided the resources to host a booth at the National FFA Career Show in October. Madeline would like to have the National eXtension Initiative host a booth next year, as students and teachers did not know about this resource. Jennifer Bond traveled to Washington D.C. to present on eXtension and CFARE at the USDA Cooperatives Month Celebration on October 19, 2011. Madeline has written grants to eXtension, CHS, and Nationwide for

additional funding for 2012. Greg McKee will be the new Cooperative CoP Chair beginning in January 2012.

#### NIFA Grant Opportunity

Madeline Schultz led a discussion on pursuing funding through NIFA. NIFA offers a serious opportunity for collaborative grant seeking for cooperatives research, education and outreach. This group may consider collaborative multi-state efforts, it might be for this year or next. A letter of intent stating the partners is due November 15, 2011 for the next round. Burton, noted this could tie in with the NCERA-210 objectives and proposal.

#### Journal of Cooperatives

Phil Kenkel reported on the Journal of Cooperatives. He indicated that the journal had published 5 articles in the 2011 volume and was accepting manuscripts. The group brainstormed on ideas for a special edition of the Journal.

#### CFARE Update

Phil Kenkel reported on the Council for Food Agriculture and Research Economics project has gone very well, resulting in the six Choices articles, an eXtension webinar, and the pre-conference workshop scheduled for the next day. Phil reported that Mike Cook will be a featured speaker and Mike Boland will give the charge for action. There are 75 people registered and Phil is pleased with the turnout for the event, which was promoted as a pre-conference activity of the Farmer Cooperatives Conference.

#### Website

Dave Barton reported that Kansas State is currently hosting the NCERA-210 web site. He indicated the committee was working on a new home for the website. Brian Briggeman, indicated that Kansas State was willing to continue to host the website. His staff assistance Seleise, needs all the information to continue to offer updates. It was decided that the committee would send a thank you not to Seleise. Brent Hueth said it might make more sense to people if the website was hosted at the University of Wisconsin, since the NCERA-210 annual meeting registration is being handled by Wisconsin in conjunction with the Farmer Cooperative Conference registration. Brent offered to manage the website if the group would like. The group agreed to move the website to Wisconsin which would put the treasurer's account, website and registration at the same institution.

#### 2012 Planning: Farmer Cooperatives Conference and NCERA-210 Meeting

Ann Reynolds led a discussion of future meeting sites for the NCERA-210 annual meeting. It was pointed out, that if this year's pre-conference went well the committee might try to organize similar events in future years. Ann reported the upper Midwest seems to be the best location for the Farmer Cooperative Conference and there is another good turnout of attendees this year (attendance was lower last year in Colorado) There

were thoughts of combining NCERA-210 with the College Conference on Cooperatives or another conference; alternatively, many members liked the success with the Farmers Cooperative Conference. Ann did not yet know the 2012 dates for the Farmer Cooperative Conference so it was not yet possible to determine if NCERA-210 would fit best prior to or after the Farmers Cooperative Conference. Phil Kenkel moved to retain the NCERA-210 meeting with the Farmer Cooperatives Conference. Sanjib Bhuyan seconded the motion. The motion carried.

#### Nominating Committee Report and Elections

Jennifer Bond stated the group continues on a three year rotation of selecting a new Secretary, who then becomes Vice Chair and finally Chair. Julie Hogeland sent her regrets that she was not able to be here this year due to USDA budget cuts, but she is still looking forward to serving. Julie Hogeland was nominated as Chair, John Park was nominated as Vice Chair. Sanjib Bhuyan was nominated to serve as Secretary. Phil Kenkel moved to suspend the rules and approve Sanjib's nomination unanimously. Mike Boland seconded the motion. The motion carried.

#### Retirement Announcement

Brian Henehan announced that he is retiring on June 30, 2012. He invited everyone on the committee to New York on March 27, 2012 for his retirement celebration as part of the Northeast Cooperative Council Annual Meeting. He indicated that he would email details to the group.

#### Adjournment

Chairperson Jennifer Bond adjourned the meeting at 5:00 pm. Minutes were recorded by Madeline Schultz

#### **Accomplishments:**

**Objective 1. To promote and coordinate timely research on cooperatively owned business organizations for agricultural marketing, agricultural input supply, vertical coordination through value added processing, and rural services.**

#### **Accomplishments of Objective 1 during 2011:**

During 2011 NCERA-210 members achieved unprecedented impacts in conjunction with a major national project. NCERA-210 members conducted a national project to identify critical issues facing cooperatives. This innovative multi-state effort effectively integrated research, outreach and education. An expert panel of industry leaders was identified and assembled. The panel represented a diverse spectrum of business areas including raisins, oranges, grain, farm supply, dairy, bio-energy, farm credit and local foods. The issues were identified through a two-stage modified Delphi survey process and a face-to-face focus panel discussion. The first survey stage was an open-ended survey in which the panel identified and discussed critical issues. In the second stage the panel members rated the importance of the major issues identified in the initial stage. The panel was then

convened in Washington D.C. on August 4, 2011 to discuss and expand on the issues. The themes of the panel discussion included: (a) Finance, (b) Strategy, (c) Communicating the Value Package, (d) Governance, and (e) New Cooperative Development. The team of academic experts moderated and coordinated the discussion themes. Forty-five experts took part in the Aug. 4th discussion. In addition to the industry stakeholders represented on the expert panel the project, the Council on Food, Agriculture and Resource Economics (C-FARE) was a key partner and coordinated the Washington D.C. meeting. The project was also supported by, USDA, the CHS Foundation, the Farm Credit Council and the National Council of Farmer Cooperatives. Each topic session was moderated by a cooperative researcher from the NCERA-210 committee.

Following up on the survey results and panel discussion the cooperative researchers developed a series of articles focusing on the critical issues and success factors. In addition to the two stage Delphi survey research used to identify the issues, a national survey of communication practices in cooperatives was conducted and a separate case study research project investigated cooperative governance. The research was published in a series of six articles in Choices, an on-line peer reviewed publication of the American Agricultural Economics Association. All of the peer-reviewed Choices articles synthesized previous research and the expert panel's findings and identified priorities for future research. A national webinar on "Communicating the Cooperative Value Package" was coordinated by the eXtension Cooperative Community of Practice. Eight publications were developed and disseminated via the eXtension cooperative COP which also provided access to the archived webinar and links to the Choices articles. The final component of the project was a pre-conference on Critical Issues Facing Cooperatives held in conjunction with the 2012 Farmers Cooperative Conference in Minneapolis MN. November 3, 2011. All of the team members involved in the project are members of the NCERA-210 Cooperative Research Committee and/or the eXtension Cooperative COP. Faculty members from 12 land grant institutions were represented in the overall effort. .

Another major accomplishment of the NCERA-210 is the continued publication of the Journal of Cooperatives. NCERA-210 member Phil Kenkel serves as editor for the Journal and NCERA-210 members are frequent contributors as well as frequently serving as reviewers. o serve as its editor.

In addition to these major national activities, NCERA-210 members are making full use of the committee infrastructure to communicate the results of their research to each other. During 2011 NCERA-210 members disseminated research results during the annual meeting. NCERA-210 members also used the NCERA-210 web page and the list-server (described in more detail below) to communicate with each other. NCERA-210 members, as well as others interested in cooperatives, can access the selected papers presented at the each all meetings from the committee web page. Members also made use of the List Server (ncr-194-net@macc.wisc.edu) to facilitate communications among members. Messages sent to the list server are forwarded to all NCERA-194 participants.

**Objective 2. To serve as a forum for industry and government decision makers in management and staff research positions to interact with land grant researchers and extension specialists to share research results and discuss implications for cooperative business organizations, their producer members, farm structure, efficiencies in food**

**production and distribution, the environment and economic well being of rural communities.**

**Accomplishments of Objective 2 during 2011**

During 2011 NCERA-210 members organized and conducted numerous forums with industry and government decision makers.

- (1) NCERA-210 partnered with the cooperative community of practice and other the Council on Food, Agriculture and Resource Economics to conduct a national webinar on communicating the cooperative value package. Individuals in 75 separate sites across the continental U.S., Hawaii and Europe participated in the webinar. The webinar was archived on the Cooperative COP and continues to be accessed.
- (2) Forty-five industry leaders and USDA representatives took part in a separate meeting during which an expert panel of cooperative leaders identified and discussed the critical issues facing agricultural cooperatives.
- (3) NCERA-210 also organized and conducted a pre-conference to the Farmers Cooperative Conference in Minneapolis MN. Over 80 managers and board members from major cooperatives across the U.S. attended the pre-conference.

In addition to these major activities as forum for industry decision maker, there were numerous collaborations among NCERA 194 members on education programs for cooperative directors. Members Dave Barton (Kansas State), Mike Boland (University of Minnesota) and Phil Kenkel (Oklahoma State) collaborated on case studies on the impact of the Domestic Production Activity tax credit on agricultural cooperatives. The case results were presented at the Arothor Capper Symposium at Kansas State University.

**Publications:**

Barton, D., Boland, M., Chaddad, F.R. and Eversull, E. (2011). "Current Issues in Financing of Agricultural Cooperatives," *Choices*, September 2011.

Bhuyan, S. 2012. "Are Cooperative Members better off than Non-members? Comparing Member and Non-member Dairy Farmers in the Northeast United States." *Jr. Of Cooperative Studies (UK)*. 45 (2):25-41.

Bond, J. and S. Bhuyan, "Strategic Role of Communication in Cooperatives: Perspectives from Industry Insiders." Paper presented at the NCERA-210 Annual Meeting, Minneapolis, Nov. 2-3, 2011.

Bond, J. and S. Bhuyan. "Communicating the Cooperative Value Package." eXtension sponsored and Iowa State University hosted webinar on October 26th, 2011. Link on the webinar date: <https://connect.extension.iastate.edu/cooperatives>

Chaddad, F.R. (2012). "Advancing the Theory of the Cooperative Organization: The Cooperative as a True Hybrid," *Annals of Public and Cooperative Economics* 83(4): 445-461.

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- Costa, D.M., Chaddad, F.R. and Azevedo, P.F. (2012). "Separação entre Propriedade e Decisão de Gestão nas Cooperativas Agropecuárias Brasileiras" [Separation of Ownership and Decision Management in Brazilian Farmer-Owned Cooperatives], *Revista de Economia e Sociologia Rural* 50(2): 285-300.
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- Hogeland, J.A. 2010. "The Normative Construction of American Agricultural Cooperatives, 1900-2008." In Cooperation in Economy and Society (Robert Marshall, ed.), Alta Mira Press, Pp. 215-236.
- Kenkel, P., and R.B. Holcomb. 2010. "Structural Considerations for a Cooperative Winery." Chapter XXVII in Handbook of Oklahoma Vineyard Establishment and Management, Oklahoma Cooperative Extension Service publications E-1015, Oklahoma State University, Stillwater, OK, January.
- Kenkel, P., and J.L. Park. 2007. "Business Models and Producer-Owned Ventures: Choices, Challenges, and Changes." Journal of Agriculture and Applied Economics, 39:381-387.
- Kenkel, P. 2010. "The Potential for Biomass Harvesting Cooperatives" selected paper, NCERA-210 Annual Meeting, Denver Colorado Dec. 7-8 2010.
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- Kenkel, P. 2010. "Annual Audits: Board Responsibility" Oklahoma State University Extension Web Fact Sheet 992, revised May 2010.
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### **Impact Statements:**

1. Critical issues for agricultural cooperatives were identified during a national project, providing NCERA-210 to focus research efforts. Measurable impacts include (1) 45 individuals, including leaders of the largest cooperatives in the U.S, attended the Washington D.C. panel session. (2) In the first four months, the 6 peer-reviewed articles were accessed over 2600 times. (3) Individuals in 75 separate sites across the continental U.S., Hawaii and Europe participated in the webinar. The webinar was archived on the Cooperative COP and continues to be accessed. (4) 80 industry professionals and researchers attended the second panel session at the Critical Issues pre-conference (8) publications were developed and published in *Choices Magazine* and disseminated on the eXtension Cooperative COP
2. Education of cooperative boards of directors improved through jointly organized education programs conducted by NCERA members. Various members collaborated to conduct workshops in California, Colorado, Indiana, Kansas, Michigan, Missouri, Montana, Ohio, Oklahoma, Texas, and Wyoming. The programs focused on strategic thinking, finance, governance, and mergers.

3. Research proposals regarding cooperatives were facilitated; members developed two research proposals to USDA Rural Development for a national study of the economic impact of cooperatives.
4. Continuing development of a cooperative textbook for use in college and university courses was supported. Seven NCERA-194 members have completed preliminary drafts of 21 chapters of the textbook. NCERA-194 member Mike Boland was awarded funding from foundations to support a retreat to complete the textbook.
5. Committee members are contributing to the peer-reviewed journal, Journal of Cooperatives, under the editorship of the NCERA-210 member Phil Kenkel.