

**By James Wadsworth, Ag Economist**  
Cooperative Services  
USDA Rural Development  
e-mail: james.wadsworth@wdc.usda.gov



Just as producer-owned co-ops greatly magnify the market clout of individuals through joint action, so do state and regional cooperative councils amplify the efforts of individual cooperatives in areas such as legislative affairs, director education and many other vital member services. These councils stand as a prime testament to the fundamental co-op tenet of cooperation among co-ops.

Through the years, state cooperative councils have been instrumental in keeping their cooperative members “tuned up” and ready to meet challenges, which there never seems to be a lack of.

The first state co-op council was established in 1919 in California, followed 2 years later by one in Oregon. The very early state councils focused mainly on legislative issues. As cooperatives and other cooperative-related associations increased in numbers, the programs of the councils expanded to also include co-op education, member and public relations, promotional efforts and collaborating with other organizations with similar missions. The nation’s largest co-op council (Cooperative Network) was even instrumental in working to form Farmers Health Cooperative in Wisconsin. It now helps to administer this health insurance plan — a very ambitious undertaking for a co-op council.

State co-op councils today focus on most of the same activities as they did in their early years, although the scope of activity varies a great deal, depending on the organization’s structure, program focus and resources. While activities may vary, today’s councils provide an impressive array of services for cooperatives all across the United States. These efforts are constantly being adapted to help

members in changing times. This article explores some of the different structural aspects of the councils and their activities.

### Council structure has evolved

The number of state co-op councils expanded until the early 1990s, but has since declined slightly, due primarily to cross-state consolidations. There were 30 state co-op councils in 1948, 37 in 1968 and 38 in 1992; today there are 32. Table 1 identifies the councils and provides their website addresses (where applicable).

These four co-op councils cover more than one state:

- Cooperative Network, serving Wisconsin and Minnesota;
- Mid-America Cooperative Council, serving Indiana, Ohio, Michigan and Illinois (Illinois also continues to maintain its own “volunteer” council);
- Mid-Atlantic Alliance of Cooperatives, serving Maryland and Pennsylvania;
- The Northeast Cooperative Council, serving the New England states and New York.

All co-op councils are led by an executive director, either as a full-time, part-time or volunteer position. Ten of the 32 councils have a full-time executive director, 12 employ a part-time executive and the remaining 10 have a volunteer executive. Some of the councils also have other support staff, especially councils with greater resources. However, not all councils with full-time executives have additional staff, and a few councils with a part-time executive have

additional staff. Staffing levels depend on the available resources, the specific programs the council provides and the number of cooperatives served.

Some councils have undergone significant changes in staffing during the past 10 years or so as they adjust to changing cooperative numbers and a challenging economic environment. Most of these changes involve staff reductions or a change in status of the executive position. In the case of the Mid-America Cooperative Council, “The council moved from a part-time executive and ad hoc board to a full-time executive in 2004; it added a part-time assistant in 2007 and now has an

## State cooperative councils adapting to help members in turbulent times

elected board of directors,” says Rod Kelsay, the council’s executive director.

Many of the councils have close working relationships with other institutions or organizations. These may include universities, development centers, cooperative centers, consulting firms, law firms, and others. Some councils formally contract with these outside organizations for various administrative, website, education and lobbying services. In other instances, the relationship is primarily about coordinating activities such as studying a legal issue or performing some type of cooperative technical assistance, such as co-op development work or strategic planning.

Many state/regional councils are affiliated with a university, either directly or indirectly, which allows them to tap into the experience and knowledge of professors and Extension personnel. They rely on these experts for operations planning, to enhance educational programs and to help



*Legislative work is a big part of the mission of most state co-op councils. Here, members of the Cooperative Network prepare to visit members of the state legislature in St. Paul, Minn., as part of Co-op Day at the Capitol. Photo courtesy Cooperative Network*

identify and solve various cooperative-related issues.

### **Council funding**

Funding comes primarily from the thousands of U.S. cooperatives that belong to a state or regional co-op council. However, it has become increasingly difficult for agricultural co-ops to increase, or even maintain, their membership roles. This is largely due to the changing structure of the agricultural cooperative system caused by co-op consolidations and dissolutions.

“If you go back the past 30 years, every decade we lose about 29 to 33 percent of the local cooperatives in the state, mainly as the result of a redeployment of cooperative assets [via mergers],” says Bob Andersen, president and executive director of the Nebraska Cooperative Council.

For that reason, some councils are accepting non-agricultural cooperative

memberships. These may include utility co-ops, credit unions, food/grocery co-ops and housing co-ops. The expanded councils may also accept co-ops serving the health care/insurance, publishing, housing, investor-owned marketing and purchasing sectors. Even though these cooperatives may serve widely diverse memberships and fill different functions, they also have many overlapping goals and issues (such as director education, public/member relations, legal issues, etc.) that can be more affectively and economically addressed with a larger membership that represents a cross-section of the cooperative community in a state or region. These combined co-op organizations can also provide a greater scope of services to cooperatives.

Many of the councils have associate, or affiliate, members as well. These may include engineering and legal firms, National FFA Organization, 4-H, land grant universities, state and federal

government, trade associations, implement dealers, grain elevator suppliers, crop-input suppliers, accountants, consultants, information technology firms, banks, grain dealers, construction companies, insurance companies, state agricultural boards, inspection companies, printing companies, brokers, cooperative development centers, software providers, media and trucking companies. In some cases, associate members are active on council boards.

Beyond revenue from members, a number of councils also count on fee-based program income, sponsorships, grants and consulting fees.

### **Education and legislative activities**

Most councils conduct cooperative education programs, which they consider essential for improving the performance of cooperatives and for expanding the benefits of the

cooperative form of business.

Councils host a number of co-op educational forums every year, the frequency and scope of these sessions depending on council resources and demand. These forums often tap the teaching expertise and knowledge of land-grant colleges.

Councils also provide co-op education through workshops, publications/DVDs, websites and webinars, etc. Target audiences include cooperative directors, members, management, employees, youth and the general public.

Frequent topics at these workshops include director duties and legal responsibilities, governance, finance and taxes, leadership training, cooperative basics, marketing and customer relations. Programs run from introductory cooperative concepts to advanced concepts and cooperative issue analysis. Some of the councils provide director certification programs.

Dealing with legislative and regulatory issues is another major activity for many councils. Some lobby in their states, and a few even lobby on a national level. Others merely follow legislation and regulatory issues that have to do with cooperatives and report applicable and significant findings to their membership. Those that conduct legislative work see it as a critical way for cooperatives to be involved with agricultural and business policy changes that can impact their members.

A few councils have political action committees (PACs) that members can contribute to for cooperative-related lobbying or to help fund candidates. Councils also take part in national legislative activity via communications and memberships with the National Council of Farmer Cooperatives (NCFC) and the National Cooperative Business Association (NCBA).

Other activities that councils perform for their members include technical assistance, issue analyses, strategic planning, running foundations (for scholarships, educational programs, and other member services) and affiliations with other organizations for coordinated activities and synergies. Many of the councils collaborate with cooperative development centers, university professors, extension personnel, and cooperative centers, as well as other co-op councils.

### Communications

Councils communicate with their members through a variety of means: meetings, news releases, newsletters, websites, appearances at cooperative events and other formal or informal channels. More than half of the councils publish a newsletter and more than two-thirds have websites. Newsletters are in hardcopy, online or both. The number of issues produced annually varies from weekly, monthly, quarterly to biannual. Websites vary from very basic sites to very extensive, content-rich sites. Content on these websites often includes the council history, program information, online newsletters, news releases, event calendars, photo galleries, staff contact information, cooperative directories, board of directors information and member-only sections.

Councils sometimes network with other councils to work on program development and share ideas. Some of the councils hold formal meetings just before or after other national co-op meetings, such as the annual meeting of the National Council of Farmer Cooperatives (NCFC). Every other year they also hold the National Conference of State Cooperative Councils meeting, where co-op issues are discussed and analyzed. Council members also share program accomplishments and challenges and look for synergistic

### Table 1—State and regional cooperative councils in the U.S.

(Web site listed where applicable)

Alabama Council of Cooperatives
Arkansas State Committee on Cooperatives
Agricultural Council of California <a href="http://www.agcouncil.org">http://www.agcouncil.org</a>
Colorado Cooperative Council, Inc.
Florida Council of Cooperatives <a href="http://flcoop.com">http://flcoop.com</a>
Cooperative Network <a href="http://www.cooperativenetwork.coop">http://www.cooperativenetwork.coop</a>
Georgia Cooperative Council <a href="http://agecon.uga.edu/~gacoops">http://agecon.uga.edu/~gacoops</a>
Idaho Cooperative Council, Inc. <a href="http://www.idahoco-op.org">http://www.idahoco-op.org</a>
Illinois Cooperative Coordinating Committee
Iowa Institute of Cooperatives <a href="http://www.iowainstitute.coop">http://www.iowainstitute.coop</a>
Kansas Cooperative Council <a href="http://www.kansaco-op.coop">http://www.kansaco-op.coop</a>
Kentucky Council of Cooperatives
Louisiana Council of Farmer Cooperatives
Mid-America Cooperative Council <a href="http://www.macc.coop">http://www.macc.coop</a>
Mid-Atlantic Alliance of Cooperatives <a href="http://www.maacooperatives.org">http://www.maacooperatives.org</a>
Mississippi Council of Cooperatives <a href="http://www.msccouncil.coop">http://www.msccouncil.coop</a>
Missouri Institute of Cooperatives <a href="http://www.mic.coop">http://www.mic.coop</a>
Montana Council of Cooperatives <a href="http://montanacouncil.coop">http://montanacouncil.coop</a>
Nebraska Cooperative Council <a href="http://www.nebr.coop">http://www.nebr.coop</a>
The Cooperative Marketing Association of New Jersey
Cooperative Council of North Carolina <a href="http://ccnc.coop">http://ccnc.coop</a>
North Dakota Coordinating Council for Cooperatives <a href="http://www.ag.ndsu.nodak.edu/qbee/NDCCC/info.htm">http://www.ag.ndsu.nodak.edu/qbee/NDCCC/info.htm</a>
Northeast Cooperative Council <a href="http://cooperatives.aem.cornell.edu/partners.htm">http://cooperatives.aem.cornell.edu/partners.htm</a>
Oklahoma Cooperative Council <a href="http://www.okagcoop.org">http://www.okagcoop.org</a>
Agricultural Cooperative Council of Oregon
South Carolina Cooperative Council <a href="http://www.scco-opcouncil.org">http://www.scco-opcouncil.org</a>
South Dakota Association of Cooperatives <a href="http://sdac.coop">http://sdac.coop</a>
Tennessee Council of Cooperatives <a href="http://www.tennesseeCouncilofCoops.org">http://www.tennesseeCouncilofCoops.org</a>
Texas Agricultural Cooperative Council <a href="http://www.texas.coop">http://www.texas.coop</a>
Utah Council of Farmer Cooperatives
Virginia Cooperative Council <a href="http://www.vcfc.net">http://www.vcfc.net</a>
Washington State Council of Farmer Cooperatives <a href="http://www.wscfc.org">http://www.wscfc.org</a>

# Examples of state co-op council activities:

- **Cooperation among co-ops:** The Northeast Cooperative Council holds its Cooperative Leaders Forum and Annual Meeting in conjunction with CoBank's Northeast Customer Meeting; the Northwest Regional Co-op Meeting is a joint effort of the councils in Idaho, Montana, Oregon and Washington.
- **Co-op education:** Co-op councils put on more than 60 educational forums each year, including more than 35 cooperative director programs. These include: the *National Institute of Cooperative Education (NICE) Youth Conference*, held each summer (the 2010 conference will be hosted by the Tennessee Council of Cooperatives with support from state councils in North Carolina, Kentucky, South Dakota and Virginia); the *2009 Telecommunications Director/Manager Training Program*, conducted by the Iowa Institute of Cooperatives; the *Co-ops 101 Workshop*, staged by the Mid-America Cooperative Council, which earned the Association of Cooperative Educators (ACE) award for excellence in cooperative education at the 2009 ACE Institute.
- **Co-op legislation:** The Oklahoma Agricultural Cooperative Council (OACC) acts as a political watchdog to ensure adequate representation for cooperatives on legislative issues and that proposed legislation does not place undue burdens on its members. It fights to protect its members by educating elected officials and state and federal agencies about the importance of agriculture cooperatives not only for their members, but to the state economy. Likewise, Cooperative Network lobbies and follows legislative and regulatory matters in Wisconsin and Minnesota and on a national level on behalf of its member cooperatives. It works on dairy, environmental and health issues and conducts work for Wisconsin electric cooperatives.
- **Communications:** "Cooperation in Nebraska" is published quarterly by the Nebraska Cooperative Council. The South Dakota Association of Cooperatives public relations and education programs include working with youth through FFA and 4-H, and college students through the National Institute for Cooperative Education. Special events and activities, such as October is Co-op Month, the Cooperative Hall of Fame Induction Banquet, AgFest and Co-op Day at the Legislature, all help raise public awareness of the important role cooperatives play in South Dakota's economy. In Wisconsin and Minnesota, Cooperative Network publishes seven newsletters (*Contact, Dispatch, Mutual Interests, Capsule, Dairy Update, Co-op Living and Focus On*) to provide information on issues vital to members. ■

ways to enhance their programs.

Some councils also coordinate certain educational and other activities with regional cooperatives, and some partner with regional co-ops for annual meetings and other events. Cooperating in this way enhances programs and creates more benefits for members.

## Continuing role

Co-op councils and their services continue to play an important role for their members. As with any association, the members benefit in an amount proportional to their use and support of the council and its resources.

State cooperative councils operating today have some significant strengths, including one or more of the following:

- Well-established operations, resources and governance necessary to serve their members;

- Effective cooperative education programs;
- Robust legislative, regulatory and policy activities;
- Effective communications and member relations programs.

The councils are also facing obstacles such as increasing costs, financial limitations and greater difficulty recruiting members. However, most have strengths that offset weaknesses and are forging ahead to deliver vital programs and services.

Cooperative councils play a critically important role in helping their member cooperatives stay attuned to issues and policies that affect them. Their role in cooperative education is sorely needed. Cooperatives face significant pressures in today's economic environment and co-op councils can help alleviate those pressures through their activities, which

are as important today and into the future as they were in years past.

Working to effectively define and enhance the character of cooperatives and to improve their economic wellbeing are overall goals of today's councils. Indeed, that message resonated among the councils attending the 2009 bi-annual meeting of the National Conference of State Cooperative Councils in Kansas City, Kan., last September. According to Tommy Engelke, executive vice president and director of the Texas Agricultural Cooperative Council: "Councils continue to provide exceptional services on behalf of their members and have a very positive influence on the cooperative environment in the state or region they work within." ■