NCERA-210

Date of Annual Report: December 1, 2015

Report Information:

Annual Meeting Dates: 11/04/2015, Minneapolis, MN

Period the Report Covers: 11/2014 to 11/2015

Participants:

Chair: Brian Briggeman, Kansas State University; Vice-Chair: Keri Jacobs, Iowa State University; Secretary: Ani Katchova; Treasurer: Brent Hueth, UW-Madison;

Members in attendance: Michael Boland, Brian Briggeman, Michael Cook, Matthew Elliott, Dahye Han, Erik Hanson, Brent Hueth, Keri Jacobs, Heesun Jang, Ani Katchova, Phil Kenkel, Ziran Li, Kristi Livingston, Gregory McKee, William Nelson, Lynn Pitman, Anne Reynolds, Jeffrey Royer, Todd Schmit, Justin Turner, Megan Webster, Mollie Woods, Sanja Zivkovic

Minutes of the Annual Meeting:

NCERA-210 Business Meeting

Radisson Blue, Minneapolis

November 5, 2014

Meeting called to order by Brian Briggeman at 11:58am.

1. Chair Report: Brian Briggeman

- Brian Briggeman organized the program for NCERA 210 meeting this year.
- The Ag Finance and Management track session on Cooperative Finance at the 2015 AAEA meeting with presentations by Brian Briggeman, Phil Kenkel, Keri Jacobs, and Greg McKee was well attended and received. It was a good opportunity to showcase the work of our group – future track sessions at AAEA are encouraged.
- Our members are encouraged to submit a cooperative track session at the IFAMA meetings to be held in Denmark in June.
- William Nelson reported on the IFAMA Case Studies competition. The Ralph K. Morris Foundation is supporting students with scholarships and travel grants. William Nelson is looking at different ways to do sponsorships and need people to participate.
- AAEA - IBES section – we are encouraged to submit a proposal for a track session.


- Daniel Scholl could not attend the annual meeting this year but sent an email update.
- Our group will need to submit an annual report by December 1. NCERA 210 is up for a mid-term review, and our administrative advisor will write a review by December 15.
• Briggeman will email members asking to submit information on our activities related to cooperatives during 2015. It is important to describe not only activities but impact statements.

3. Secretary Report: Ani Katchova

- 2014 Annual Meeting minutes approved.
- The website and email listserv transition from University of Wisconsin to Google Sites and google group has been completed.
- NCERA 210 website: https://sites.google.com/site/nceracooperatives/
- NCERA 210 email listserv: nceracooperatives@googlegroups.com
  Members can use this email to send email messages to our group.

4. Treasurer Report: Brent Hueth

- Financial report was submitted for the record.

5. eXtension Update: Phil Kenkel

- Webinars have been well received. Future ideas/proposals are encouraged.

6. Journal of Cooperatives: Phil Kenkel

- A special issue on theories of cooperatives is in the works
- This group is encouraged to consider the JOC as a research outlet for our work
- Need good manuscripts and reviewers

7. Nominating Committee Report and Elections

- Sanja Zivkovic was nominated as the secretary for NCERA 210 during 2015 – 2016 and a vote of the meeting attendees confirms the nomination.
- Ani Katchova becomes Vice-Chair
- Keri Jacobs now Chair
- Brent Hueth remains Treasurer

8. Additional items

- We have several young & new people joining our group.
- NCFC has strong interest in hosting meetings for academics.
- William Nelson spoke about the Cooperative Higher Education Roundtable to be held later in the afternoon.
- NACTA meeting – presentations on cooperatives are encouraged.
- Suggestion to organize a teaching session at AAEA TLC.
9. Adjournment

- Brian Briggeman moved to adjourn meeting, seconded.
- Annual Meeting adjourned at 12:22pm.

Submitted by Ani Katchova

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.

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 pertaining to objectives 1 and 2 during 2015:

Matthew Elliot presented to South Dakota Cooperative Association Meeting on future socio economic status of farm cooperative members: implications for governance and cooperative participation raised awareness to the relative financial performance and cooperative participation of South Dakota farms. Further, the presentation raised awareness to the factors that have increased the socio economic status of cooperative members, the expected future growth, and the positive relationship with cooperative investment growth. The presentation provided insight to current cooperative stakeholders regarding the economic makeup of South Dakota farms that are cooperative members, potential future growth of farm cooperative members and cooperative investments, and spatial distribution.

Georgeanne Artz at Iowa State University received the following contract: Innovative Equipment Solutions to Reduce Costs and Improve Productivity for Small-Scale Fruit and Vegetable Growers. Contract awarded by the Leopold Center for Sustainable Agriculture in the amount of $22,498, with Linda Naeve.

Gregory McKee at North Dakota State University received two grants on “Student Learning Styles In Three Classes: Online, Distance And an On-Campus Equivalent” from the CHS Foundation. January 2015-June 2016 for $5,000; and on “Assessing Farmers Union Summer Camp Education Outcomes.” From the National Farmers Union for $5,000.

Jeffrey Royer with the University of Nebraska – Lincoln wrote an article on an equity management and planning tool based on the times-interest-earned ratio (TIER). The article demonstrates how analysis based on the TIER value can be used by cooperatives to aid their decisions regarding debt and equity financing and their choices regarding cash patronage refunds, equity retirement, and growth. TIER analysis can provide a useful equity management
and planning tool for cooperatives. It also can be used by lending institutions to assess the financial health of individual cooperatives.

In 2015, the Ohio State University established a Center for Cooperatives. The Center’s current activities are to develop educational modules on cooperative finance topics, facilitate student internships and projects on cooperatives, and establish ties with the cooperative industry. Ani Katchova is the Center’s Director and an Associate Professor.

Sanja Zivkovic presented at the NCERA-210 conference ought to define patterns of behavior and strategy that might help board of directors and managers to perform more efficiently as a cooperative and increase their opportunities for success. The results of the study were conveyed to managers and directors and a set of recommendations was offered to those who were willing to consider the practical implications of our research.

Keri Jacobs developed and shared analyses of the financial health and structure of cooperatives in Iowa. While largely intended to be a gauge going forward, this information has been incorporated into my undergraduate course on cooperatives, picked up by media outlets, and used as training materials for board members and cooperative managers.

Phil Kenkel worked collaboratively with Gregory McKee on delivering a number of programs for Farmer Cooperatives. Farmer owned cooperatives are reexamining profit distribution alternatives due to tax regulation changes and the demographics and preferences of their farmer members. The extension of research based information on this important topic at educational programs for senior managers and board of director members has improved the ability of these decision makers to select structures which maximize the return to the farmer members while preserving the financial strength of the cooperative firm.

Mollie Woods along with the Product Center Food-Ag-Bio in the Department of Agricultural, Food and Resource Economics delivered a number of programs for cooperative managers and directors. 2015 Cooperative Directors and Managers Conference - co-hosted with Mid-American Cooperative Council. The Product Center and the Michigan Cooperative Development Program planned and hosted a 2-day educational seminar for over 40 Cooperative board members and managers. 2015 Small and Emerging Cooperatives Conference - May 2015. The Product Center and the Michigan Cooperative Development Program planned and hosted a 1-day educational seminar for over 50 attendees who were interested in cooperatives as a business structure or were members of newly organized cooperatives. The Product Center and the Michigan Cooperative Development Program provided outreach and business development support for over 20 individuals interested in cooperatives as a business structure. This work resulted in 2 newly incorporated cooperatives. Education for nearly 100 individuals including board directors, managers, young cooperators and those new to the cooperative business structure. 2 cooperatives incorporated and another 7 assisted with additional business and grant support services. In addition, they received a Specialty Crops Block Grant partnering with National Grape Growers Cooperative, Inc.

Michael Cook at the University of Missouri spent time broadening the Graduate Institute of Cooperative Leadership (GICL) program to an international space. Collaboration with IFPRI (International Food Policy Research Institute), FAO (Food and Agriculture Organization of the United Nations), the World Bank, the US Agency for International Development (USAID), and the
International Cooperative Association (ICA) led to the review and acceptance of a diagnostic framework developed at the University of Missouri. This framework is entitled the “Cooperative Life Cycle Framework” with theoretical underpinnings derived from new institutional economics, property rights theory, behavioral economics, economic sociology and evidence based management. Bottom line, this framework assists international development agencies, donors, cooperative leadership, and applied researchers to identify the unique consequences of differences in transactional and demographic preferences in the governance, leadership and management of producer/user owned and controlled entities.

Brian Briggeman is the Director of the Arthur Capper Cooperative Center at Kansas State University. In that role he organizes, leads, and presents in 5 nationally recognized and attended programs. Over 350 cooperative directors, managers, and employees attended these events on topics ranging from cooperative finance to the agricultural outlook to how best to develop the next generation of employees. He also oversees the CoBank Research Fellowship program and ACCC cooperative scholarship program at Kansas State University. He also received a grant to create an online co-ops class at Kansas State University.

The University of Wisconsin Center for Cooperatives (UWCC) celebrated the official dedication of the new University of Wisconsin Madison Federal Statistical Research Data Center (FSDRC) on September 21, 2015. The FSRDC, the first and only facility of its type in Wisconsin, will provide researchers with access to federal confidential microdata data. UWCC’s faculty director, Brent Hueth, who serves as director of the new FSRDC says that “research in a Census RDC is to social science research what the cadaver is to human anatomy, or the Hubble Telescope to astronomy. It’s a place where researchers can really see what's going on inside households and firms over a long-term period, which provides tremendous new opportunities for developing a better understanding of the ways in which place, family, public policy and the economy affect life outcomes." Created in a partnership between UW-Madison and the FSRDC Network, the center also offers great potential for interdisciplinary research. Participating faculty represent six colleges and schools on campus: Agricultural and Life Sciences, Business, Education, Human Ecology, Letters & Science, and Medicine and Public Health. Out of the 23 other FDRDCs across the United States, this if the first to raise the money without funding from the National Science Foundation.

Members of the NCERA 210 continued to deliver much needed teaching and training to the agricultural cooperative sector through their research, extension and outreach activities. Such activities included,

(i) Dr. Keri Jacobs delivered an extension program to address the needs of agricultural cooperatives in Iowa in partnership with the Iowa Institute for Cooperatives; it included the Director Certification Program (DCP), and also Board Presidents and Managers Workshops;

(ii) The Cornell University Cooperative Enterprise Program (CEP) in conjunction with the Northeast Cooperative Council (NECC) convened the Leaders Forum in the NECC annual meeting where professional development and networking opportunities were provided for 150 directors and senior level managers of agriculture and rural electric cooperatives in the region.

(iii) the UWCC organized the 18th Annual Farmer Cooperatives Conference, November 2015. This annual national conference regularly attracts top cooperative business leaders and industry experts who attend to share the latest research and trends, and to learn and exchange ideas with CEOs, cooperative directors and others doing business with agricultural cooperatives;
(iv) Dr. Jacobs taught a upper-level undergraduate course on cooperatives where students learn about the cooperative business structure and investigate the governance, financial, and economic justification of cooperatives in a semester-long course. Cooperative leaders in the agricultural and telecommunications industry are regularly invited to the class;
(v) Dr. Sanjib Bhuyan was funded by the Council on Food, Agricultural and Resource Economics (C-FARE) to develop cooperative curriculum for high school economics students. The project developed teaching modules focusing on the economics and operation of cooperatives in conjunction with the State Councils of Economic Education and the Council for Economic Education (CEE);
(vi) Dr. Michael Cook worked with 20 graduate students, 50 undergraduate students, and 10 graduate students under the auspices of the Graduate Institute of Cooperative Leadership (GICL) in activities and workshops that totaled over 500 participants, both national and international;
(vii) Dr. Brent Hueth and other UWCC staff taught a semester-long undergraduate class on cooperatives during the Fall 2015 semester. The class includes an analysis of basic principles, structure and organization, finance, history, and role in U.S. economy and in developing countries;
(viii) Dr. Michael Boland presented his research work on cooperative finance, governance, and strategy to 126 cooperative directors and senior managers at the University of Minnesota director development program in January 2015. Another 47 attended the South Dakota director development program in January 2015 where he taught. Over 160 attended the Pacific Northwest program in November 2014. In Colorado, 44 attended the Colorado State program in which he was a speaker. And in California the UC Davis program had 54 attendees.; and
(ix) members of NCERA 210 are intricately involved in the eXtension Cooperatives Community of Practice, and have initiated some promotion and education of cooperatives with FFA and other youth groups. Internship programs for college students seeking employment in the cooperative industry have been developed at Oklahoma State University, Texas A&M University, and elsewhere.

Last but not the least, members of NCERA-210 continue to coordinate research and education efforts for the improvement of cooperative performance. This is evident from the research and outreach efforts of the NCERA 210 members. Additionally, a major accomplishment of the NCERA-210 is the continued publication of the Journal of Cooperatives. NCERA-210 member Dr. Phil Kenkel serves as editor for the Journal and NCERA-210 members are frequent contributors as well as frequently serving as reviewers.

2015 Publications and Presentations:


5. C. Rath et al. Rural Cooperative Development Grant: Value Added Agriculture Development Center (VAADC) (August, 2015)

6. M. Elliott et al. USDA Sustainable Research and Education Grant Submission: Increasing On-farm Sustainability Investments to Reduce Emissions, Clean Power Plan Costs, and Address Climate Change (October, 2015)

7. M. Elliott et al. USDA Sustainable Professional Development Program Grant Submission: Cooperative GHG Inventory Management Plan Training (March, 2015)


11. “The Benefits and Challenges of Machinery Sharing Among Small-scale Fruit and Vegetable Growers” with L. Naeve, Revision under review at the Journal of Agriculture, Food Systems, and Community Development


40. Jacobs, K. “Gearing Up To Meet the Responsibilities of Board President.” Workshop for Iowa Institute for Cooperatives’ Board Officers Training, Ames, IA, August 6, 2015


47. Kenkel, P. and D. Shideler, “Economic Impact of Rural Cooperatives On the Oklahoma Economy: Staff paper, Oklahoma State University, AE15008 October 2015


49. Kenkel, P. “Enterprise Risk Management: Insights from 10 Case Study Cooperatives”, presentation Oklahoma Agricultural Cooperative CEO and Board Retreat, Santa Fe New Mexico, July 21, 2015


68. Learning and Training Tool for Understanding Worker Cooperative Finances
   Lynn Pitman, October 2015

69. Directors’ Roundtable: Peer-to-Peer Interactive Learning Forum August 2015
   Anne Reynolds facilitated an interactive forum for a diverse group of cooperative board leaders on board roles, meeting and strategic planning, CEO reviews and succession planning

70. Revolving Patron-Member Equity in Cooperatives: Obligations and Expectations
   Lynn Pitman, August 2015
71. Successful Cooperative Ownership Transitions: Case Studies on the Conversion of Privately Held Businesses to Worker Cooperatives
Anne Reynolds, Courtney Berner   May, 2015

Anne Reynolds delivered training to co-op directors about board evaluation at the NCFC annual meeting.


77. Briggeman, B.C., “What is a Co-op?,” KFSA Academy, Wichita, Kansas, August 2015

78. Briggeman, B.C., “Co-op Education and Research Update,” K-State Symposium on Cooperative Issues, Manhattan, Kansas August 2015


91. Briggeman, B.C., “Cooperatives 101,” Team Marketing Alliance Program Associate Training, Manhattan, Kansas, March 2015


Impact Statements:

1. 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, Iowa, Kansas, Michigan, Missouri, Montana, Ohio, Oklahoma, Texas, and Wyoming. The programs focused on strategic thinking, finance, governance, and mergers.
2. Members' teaching, research and extension activities contributed to understanding challenges facing cooperatively owned agricultural business organizations and finding feasible solutions to such challenges. Articles, monographs, and presentations at professional meetings, webinars, and workshops by NCERA 210 members are extremely useful to educators, professionals who provide technical assistance or advice to cooperatives.

3. Research proposals regarding cooperatives were facilitated by members (see accomplishments).

4. Committee members are contributing to the peer-reviewed journal, Journal of Cooperatives, under the editorship of the NCERA-210 member Dr. Phil Kenkel.