

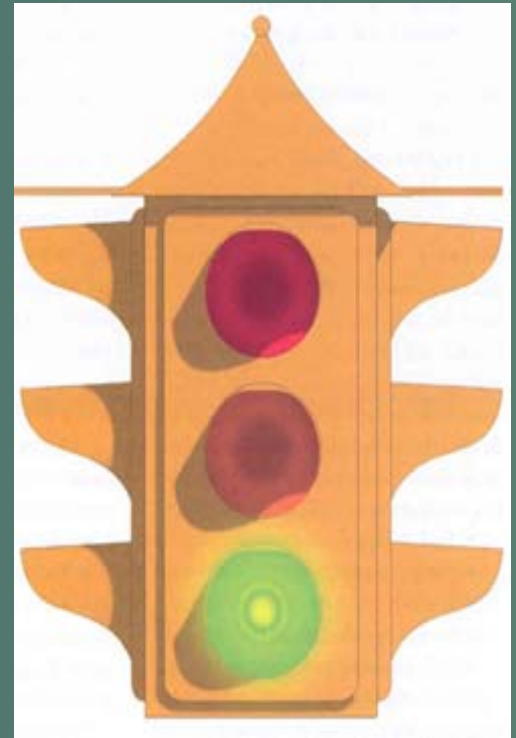
# **Agricultural Cooperatives in the 21<sup>st</sup> Century**

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John Dunn, Don Frederick, Tracey Kennedy, Jim Wadsworth  
Rural Business-Cooperative Service



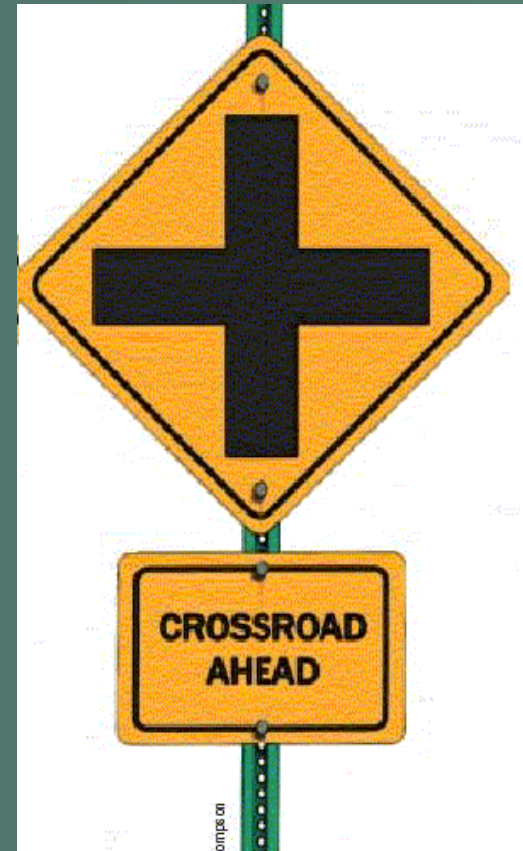
# Order of discussion

- Facing the challenges
- External forces shaping co-ops
- Internal forces shaping co-ops
- Priorities for the future
- Recommendations
- Implications



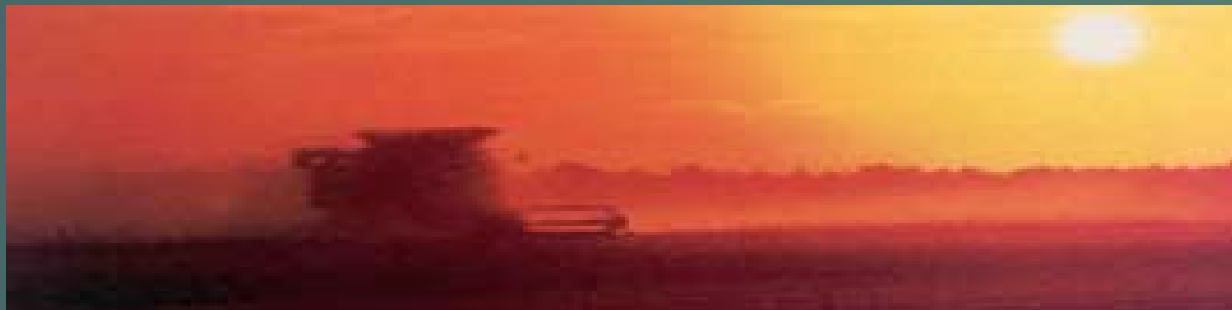
# Facing the challenges

- **Background**
  - 1987 study  
“**Positioning Farmer Cooperatives for the Future**”
  - 2002 methodology
- **Cooperative principles:**
  - Member-owned
  - Member-controlled
  - Member-benefits
- **2002 Goal**



# External forces shaping co-ops

- Changing farm demographics
- Technological innovation
- Consolidation/Industrialization
- Role of consumer
- Globalization



# Internal forces shaping co-ops

- Limited capital accumulation
- Diverging memberships
- Director effectiveness
- Pressures on the Federated model



# Priorities for the future

*“... don't think about your fence rows, think globally, cooperatives must think globally.” Nancy Thomas, Louisville, Ohio*

- Strengthen leadership
- Growth and consolidation
- Global participation
- Equity accumulation
- Education



*Board members of the newly merged Southern States local cooperative in Frederick, Md., ponder some of the many issues that had to be ironed out before two local co-ops could merge into a single, stronger farm supply cooperative. USDA Photos by Katherine L. Hanson*

# Recommendations

- Embrace change
- Seek capable directors
- Maintain a solid equity base
- Emphasize education
- Seek efficient structures
- Decide from cooperative principles



# Implications

- Efficient structures
- Solid equity
- Cooperative principles

