Agricultural Cooperatives in the 21st Century

Tony Crooks, 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
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