

Rural COOPERATIVES

USDA / Rural Development

July/August 2010

Sustaining Their Industry

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**Winning
Communications**

Commentary

Communications: the critical link

By Dan Campbell, Editor



Few cooperatives last from one generation to the next without a good communications program — one that helps keep members informed and actively involved in their co-op. When most members look at their co-op as “just another business” and are willing to let someone else run it with little or no involvement of the rank and file, their co-op is quite likely heading for the rocks. Sure, not everyone can serve on the board, but every member should carefully read the co-op’s publication and other communications, attend member meetings, volunteer for committees and vote in every election.

A large portion of this issue of *Rural Cooperatives* is devoted to cooperative communications. Beginning on page 18, we’ll take a look at some of the top prize winners in the Cooperative Communicators Association’s (CCA) most recent communications contest. Our hope is that this may help inspire other co-ops to look at their own communications program and consider what they could be doing to improve it.

There is no one-size-fits-all pattern for co-op communications. These efforts are as varied as co-ops are themselves.

For a case in point, compare CHS Inc.’s first place winner for co-op annual reports with a budget of more than \$50,000 to Aurora Cooperative’s first place winner in the under-\$50,000 category. For CHS, producing an in-depth, 62-page report is almost a year-round effort, produced primarily in-house. Aurora, on the other hand, turns its report over entirely to a public relations agency, which produces the 12-page report in about a month. Both reports do a superb job of highlighting their co-op’s performance in the previous year, although the paths followed in producing the reports are markedly different.

For yet another twist on the concept of an annual report, we’ll look at CCA’s Publication of the Year winner, the “Cooperative America” report published by Tennessee

Farmers Cooperative. This isn’t a traditional annual report because it doesn’t report on the co-op’s financial performance for the year. Instead, it is a strikingly effective look at the co-op system of business and how it differs in so many respects from the business practices that helped cause the nation’s worst economic recession since the Great Depression.

Looking at the winning entries posted on CCA’s website (www.communicators.coop) reveals an equally sharp contrast in the type of regular member or employee publications co-ops produce to keep members informed. These publications range from basic, two-color newsletters to tabloid-size newspapers and slick, four-color magazines. Co-op websites are just as varied, ranging from bare-bones sites to elaborate, graphically sophisticated websites. Likewise, while some co-ops have already established a social-networking strategy, using vehicles such as Facebook and You-Tube, others are still assessing whether to enter this new communications arena.

Probably the biggest communications choice a co-op has to make is when to hire a fulltime communicator or to add an additional communications staffer. In this issue

(page 28), we’ll look at two Midwest farmer co-ops that recently hired their first fulltime communications staff member and why they made the move. Some co-ops may instead choose to use the services of a public relations agency to gear up their communications. The important thing is: communicate.

CCA — originally called the Cooperative Editors Association — was formed 57 years ago, with USDA and several of the major co-ops of the day as the driving forces behind it. Then, as now, there were other journalism and public relations societies that helped their members improve their skills and products. But it was strongly felt that the co-op business system is unique in so many ways, that the industry needed its own organization to address the specific communications needs of co-ops. Today, 300 members strong, CCA is still fulfilling that mission at a time when the need has never been greater to tell the co-op story. ■



Even the humble co-op t-shirt can carry an important message, as does this model from American Crystal Sugar Company (also see page 27).

Features

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ON THE COVER: Sugarbeet growers in the Red River Valley created one of the first new-generation co-ops when they bought American Crystal Sugar Company. Other growers followed suit, and today producers own all U.S. sugarbeet processing. Photo courtesy American Crystal Sugar Company



Sustaining Their Industry

Sugar growers provide textbook example of how co-ops

By Bruce J. Reynolds

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U.S. sugar growers have used various cooperative organizational strategies to keep their farming businesses competitive. As a result of these strategic moves, they gradually integrated their industry.

Grower cooperatives now control 100 percent of sugarbeet refining. With the opening of a new refinery in 2011, the cooperative share of refined cane sugar will be about 25 percent, so the total co-op share of U.S. refined sugar will be about 50 percent. The different strategies these growers have used are a textbook on cooperative organizational alternatives.

The main difference for cooperative organization between the sugarbeet and the cane sectors is the latter's additional stage of post-harvest processing before a second stage of refining a consumer-ready product. Harvested cane is delivered to local mills that process it into raw sugar. The mills also provide marketing, selling raw sugar to refineries (although the amount of marketing done by mills is decreasing as growers assume more ownership of refining). In contrast, harvested sugarbeets are delivered to a processing plant where consumer-ready sugar is refined. Cooperative

development in the respective sugarbeet and cane sugar sectors is reviewed below.

Sugarbeet co-ops: from bargaining to ownership

Sugarbeet cooperatives were initially organized as bargaining associations in the 1920s. Collective bargaining is attractive to growers to the extent that it achieves a higher average price than if each grower negotiates individually. Another goal of these bargaining cooperatives was to establish sales contracts that paid growers premiums for beets with higher sugar content than average. Negotiating contracts that reward higher quality production has been a benefit for the entire U.S. sugar industry by improving the quality of sugarbeets over time.

Most sugar refining companies in the past typically owned multiple plants, although the trend in recent years has been to consolidate in fewer, but much larger, processing facilities. In the early 1970s, one of the largest sugarbeet processors, American Crystal Sugar Company, operated six plants, four of which were in the Red River Valley of North Dakota and Minnesota. While growers believed there were opportunities for more plants and for commensurate expansion of sugarbeet production, the company had no plans to expand processing and was even talking about closing one of its plants.

In 1971, the Red River Valley Sugar Beet Growers



position members for new opportunities

Association was concerned about limited processing capacity and developed a plan for purchasing American Crystal. The association's members raised \$20 million, which they accomplished with investments of \$100 per acre of sugarbeet delivery commitments. In return, these growers received delivery rights, which were transferrable in that they could be sold to new members.

By having a closed membership, growers wanting membership must purchase shares of deliverable rights as they become available from those leaving the cooperative. This capitalization strategy became a model for new generation cooperatives (NGCs).

With loans from the St. Paul Bank for Cooperatives, the acquisition of American Crystal was completed in 1973. Members from another bargaining association joined the processing cooperative in 1975, while an American Crystal plant in California was operated for non-members.

Demand for increased processing capacity led other



Sugarbeet grower bargaining associations evolved into producer-ownership of processing and marketing. Photos courtesy American Crystal Sugar Company

bargaining associations in the Red River Valley to initiate vertical integration strategies. The Minn-Dak Farmers Cooperative organized for the purpose of establishing a new plant in 1974. The following year, the Southern Minnesota Beet Sugar Cooperative (SMBSC) established a plant in Renville, Minn.

Grower ownership movement goes west

After organization of cooperative processing in the Red River Valley in the 1970s, bargaining associations and sugarbeet processing companies

in several western states maintained their usual business relationships. The first transition from bargaining to ownership of processing in the West began in 1994 with the organization the Snake River Sugar Co., a co-op formed by members of bargaining associations in Idaho and Oregon. By 1997, the cooperative established ownership and control of the Amalgamated Sugar Co.

After experiencing a major decline in sugar prices and the



“Grower co-ops now control 100 percent of sugarbeet refining and will soon control 25 percent of sugar cane refining.”

closing of processing plants, two large conversions of companies into cooperatives occurred in 2002. The Monitor and Michigan Sugar Cos. were acquired by members of bargaining associations for operating as a cooperative, but retaining the name, Michigan Sugar Co. In the same year, members of bargaining associations in Montana, Wyoming, Colorado and Nebraska purchased six processing plants of the Western Sugar Co.

Marketing agency-in-common

Most sugarbeet processing companies operated multiple plants that provided relatively large volumes of sugar for sale. For Minn-Dak and SMBSC, the marketing of sugar from a single processing plant was a disadvantage when dealing with large retailers and food processors, who often want to purchase relatively large volumes.

Shortly after organizing, Minn-Dak and SMBSC decided to combine their marketing in a separate cooperative. This organizational alternative is known as a marketing agency-in-common (MAC) and is a type of federated cooperative where member cooperatives share a single sales manager who coordinates and consolidates the commodity sales of member cooperatives. These two processing cooperatives and American Crystal formed another MAC in 1979, Midwest Agri-Commodities, for joint marketing of beet pulp, molasses and other byproducts to the livestock feed industry.

Economies of size in marketing sugar may provide more opportunities in the future for sugar growers to join or form MACs. But to take these steps, cooperative members have to develop trust in working with others outside their own region.

After several years of positive results from membership in the byproducts MAC, American Crystal began to coordinate sugar marketing with Minn-Dak and SMBSC. In 1993, the three processing cooperatives formed United Sugars Corporation, a MAC that is one of the largest sugar marketing businesses in the United States. It made a significant expansion in 1999 when the United States Sugar Corporation in Florida, the largest U.S. sugarcane producer and an operator of milling and refining, joined the cooperative.

Sugar cane cooperatives

The first U.S. sugar cane mill cooperatives began organizing in the 1930s. By 1971, there were 14 cooperative mills. All are located in Florida, Louisiana and Texas. In Florida, there are fewer sugar cane producers, but they generally have larger farms compared to Louisiana.



Construction progresses on the new Louisiana Sugar Refining plant in Gramercy, La., next door to the Imperial Sugar plant. The new plant is a joint venture of Louisiana Sugar Growers, Cargill and Imperial Sugar.

The Sugar Cane Growers Cooperative in Florida operates two mills owned by about 50 growers. There is also a relatively large milling cooperative in Texas operated by the Rio Grande Valley Sugar Growers Inc. This cooperative has 126 members and its mill produces about 160,000 tons of raw sugar.

Louisiana sugar cane production has

consolidated in recent years into fewer, larger units. As recently as the mid-1990s, there were about 750 growers and 18 mills, nine of them organized as cooperatives. As of 2007, there are only three cooperative mills in operation.

The function of mills in processing the harvested cane has not changed over the past 200 years. But marketing raw sugar and the byproduct, blackstrap

molasses, have been coordinated and integrated by the cooperatives during the last 30 years. Each mill traditionally did its own marketing, selling raw sugar to a few large refineries and blackstrap molasses through commodity brokers.

In 1975, nine cooperative mills organized a marketing cooperative, Louisiana Sugar Cane Products Inc. (LSCPI), to function as a MAC for selling raw sugar and byproducts.

LSCPI did not have much impact in its first few years of operation, but by having an organization, the cooperative mills were able to move quickly in buying a relatively small refinery that had closed. A few years later, ownership of the refinery proved to have even more value when a large sugar refining company wanted to buy it. In negotiating terms for selling the refinery, LSCPI obtained long-term sales contracts for its members' raw sugar that captured substantial premiums over the prices received by the non-cooperative mills.

LSCPI also improved earnings on blackstrap molasses. By having a much larger supply than individual mills could offer, LSCPI initiated direct sales to large feed-ingredient buyers.

During the mid-1990s, four non-cooperative mills sought membership in LSCPI. With the addition of these members, LSCPI increased its market share to about half of Louisiana raw sugar production. Consolidation of milling in recent years has reduced its current membership to seven mills, three cooperatives and four non-cooperatives. Yet, LSCPI's market share of the state's raw sugar has grown to about 75 percent.

Exiting of refinery companies

Concentration of cane sugar refining has raised new challenges for cooperative mills. With some companies exiting the industry, cooperative mills have increased their vertical integration by having an ownership stake in refining. The Tate & Lyle firm sold its North American refineries and the Domino brand to Florida producers in 2001, with the

Sugar Cane Growers Cooperative of Florida acquiring 39 percent ownership.

In 2009, LSCPI initiated a joint venture to build and operate a new refinery to replace an older one operated by the Imperial Sugar Co. When completed in early 2011, it will be the largest refinery in the United States. LSCPI will continue its by-product sales and warehousing for its member mills, but a new entity, Sugar Growers and Refiners Inc. (SUGAR), has direct grower membership. SUGAR will hold one-third of the ownership in the venture. The other two-thirds are held in equal shares by the Imperial Sugar Co. and by Cargill.

The members of SUGAR used the new generation cooperative method of capitalizing the venture. They purchased “grower units” that represent a delivery right for raw sugar. These shares will receive premiums above the prevailing market price paid to non-member growers. When they leave sugar cane farming, their grower units will be sold to new members.

Positioned to meet opportunities

Sugarbeet and sugar cane growers have organized cooperatives to sustain their industry. Growers vertically integrated the U.S. sugar industry by starting out with various types of local cooperatives — bargaining, sugar cane milling and MACs. These cooperatives provided them with the organizational and financial capacity to pursue opportunities for ownership of processing and refining.

At least three of the business organization forms sugar growers used may hold lessons for cooperative development in other industries.

First, bargaining cooperatives played an important part in the development of the U.S. sugarbeet industry. These associations initiated incentive programs to reward production and delivery of higher quality sugarbeets. By providing more price stability, bargaining cooperatives helped their members maintain sugarbeet farming. These organizations also provided a

coordinating mechanism for eventual investment in the ownership of processing plants.

In many other commodity industries, bargaining cooperatives continue to provide price discovery for their members. Bargaining is not a transitional form of organization if specialization trumps vertical integration. For example, the Rye Grass Growers Cooperative (featured in the Sept.-Oct. 2009 issue of *Rural Cooperatives*, available online) negotiates with several marketing firms, each having a network of distribution channels for merchandising. Grass seed growers and merchants each have different specializations that neither side can easily acquire. In contrast, when bargaining is focused on sales to processing plants, the prospects for vertical integration are often more feasible.

Without membership in cooperatives, many growers individually negotiate sales and forgo the gains from collective bargaining. Opportunities for growers to organize associations are in many cases impeded by a need to have bargaining regulations updated, especially federal rules which were enacted in 1967 as the Agricultural Fair Practices Act.

Second, MACs are a type of cooperative federation that combine the sales of several organizations into a single agency. The need for sugarbeet growers to build their own processing plant led Minn-Dak and SMBSC to work together on marketing because of the economies of size in negotiating sales contracts.

When cooperatives in any type of commodity industry feel comfortable with their sales programs, they have slight motivation to consolidate marketing with other cooperatives. The opportunity to test the value of MACs when cooperatives have byproducts to market can be a good way to get started, as was the case for American Crystal Sugar when it eventually combined its sugar marketing with Minn-Dak and SMBSC to form United Sugars.

Third, the new generation co-op model has had several antecedents, but American Crystal Company became the leading example for many Midwest farmers who organized value-added cooperatives during the past 25 years. The acquisition of the American Crystal was accomplished by having growers purchase delivery commitments, which served as both an equity capital contribution and a way to secure a loan by establishing a reliable supply of sugarbeets over time.

Furthermore, members owned the delivery commitments as transferrable certificates, the value of which change in relation to the financial prospects of the cooperative.

The new generation co-op is a significant departure from the traditional cooperative method of building equity capital from earnings on member business and distributing it back to members as allocated patronage refunds. Sugarbeet growers have incentives for leading the way to the NGC approach because of the inextricable link between their farm products and processing.

As pointed out by American Crystal CEO David Berg: “Without the sugarbeet factory, the beet has no value at all.” But the NGC model is relevant for growers of all types of commodities, even those — unlike sugarbeets — that have more processing or other marketing alternatives. A new generation cooperative increases the members’ sense of ownership of the business and their long-term commitment to its development.

U.S. sugar growers have used a variety of cooperative organizational entities and innovations in the application of cooperative strategy. Their experience is instructive for other types of farmers, and even for others who may benefit by organizing cooperatives. The sugar growers’ history demonstrates that organizing even a basic, local cooperative with modest benefits positions members for new opportunities or collective actions to help keep them in business. ■

Legal Corner

Succession planning for family-owned businesses is critical for rural America

By Stephanie M. Smith,
Senior Legal Advisor for USDA Cooperative Programs

Editor's note: *This article provides a general overview of the advantages of business succession planning and the impact on rural communities if family-owned businesses fail to engage in succession planning. A second article, which will appear in the next issue, will probe into the legal and financial aspects of succession planning, including how owners can enjoy deferred taxation as a benefit of selling a family-owned business to its employees (which may include family members).*

Business succession planning (“succession planning,” hereafter) is an important financial tool for the successful continuation of family-owned businesses in rural communities. Keeping these businesses going — preferably under local ownership — is often critical for the health of our rural communities. Locally owned businesses tend to have a better feel for the pulse and needs of the community and are usually more active in local civic affairs than are absentee-owned businesses. Locally owned businesses are also less likely to be closed or moved.

This most often becomes an issue when there is no other family member available to assume — or interested in assuming — control of the business. If the result is a closure — be it a drugstore, barbershop, food store, movie theater or any other local business — the community loses a local source of supplies or services, and the town suffers a loss to its tax base and economic/social vitality.

One of the best ways to prevent this from happening is to groom employees as future owners. This may even involve the formation of a small, worker-owned cooperative (see the January-February 2009 issue of *Rural Cooperatives* for more on this topic).

Two-part process

It is critical that rural business owners understand the two-fold process of succession planning to include:

1. The transfer of ownership from a financial and legal perspective, and
2. The transfer of skills to their employees.

When transferring ownership, family-owned business owners should strive to ensure that the business will maintain its current status of operation and its economic and social

value in the rural community. The business owner should also ensure that experienced and capable employees will be prepared to assume these roles upon the owner's death, retirement or withdrawal.

So, how does a family-business owner plan for a smooth transition?

First, begin planning now, no matter what your age or health. The Main Streets of rural America already have far too many shuttered windows. With succession planning, many of those businesses would likely still be operating today. In some cases, they closed because the owner waited too long to begin planning.

Second, work with local financial planners who not only understand the tax implications that arise out of succession planning, but who also realize the social implications of maintaining the business in a manner that benefits the community as a whole. Third, contact a local bank that may offer financial products to assist in the transitioning process. Some local municipal government offices may also offer help.

The Advantages:

Succession planning accelerates the transition of qualified employees from individual contributors to managers and leaders. Succession planning should:

- Prepare current employees to undertake key roles;
- Develop talent and long-term growth;
- Improve workforce capabilities and overall performance;
- Improve employee commitment and, therefore, retention;
- Meet the career-development requirements of existing employees;
- Improve support to employees throughout their employment;
- Counter the increasing difficulty of recruiting employees externally;
- Focus on leadership continuity and improved knowledge sharing;
- Provide more effective monitoring and tracking of employee proficiency levels and skill gaps.
- If there are three or more employees interested in assuming ownership as a group, make them aware of worker-owned cooperatives.

The Fallout:

Without the implementation of a business succession plan,

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Get Ready

October is Co-op Month —

ONE OUT OF EVERY FOUR AMERICANS BELONGS TO A CO-OP

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Experience the
**Cooperative
Difference**

Visit your local co-op during Co-op Week
October 17-23, 2010

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www.ncba.coop or www.go.coop



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SOCIAL RESPONSIBILITY ■ OPEN & VOLUNTARY MEMBERSHIP ■ NON-DISCRIMINATION ■
COOPERATION AMONG COOPERATIVES ■ SERVICE TO MEMBERS ■ ON-GOING EDUCATION
■ DEMOCRATIC CONTROL ■ DISTRIBUTION TO MEMBERS ■ BUILDING FINANCIAL STABILITY

what outreach effort will your co-op make?



It can be as simple as a farm cooperative member making a classroom visit to talk about why growers unite in co-ops. Or it can be a retail cooperative or credit union setting up a month-long “What Is a Co-op?” display or poster. Regardless of what route is chosen, Co-op Month in October is a time for all co-ops to try their hands at co-op education.

The theme for this year’s Co-op Month is: “Local. Trusted. Serving You: Experience the Cooperative Difference.” The theme underscores that cooperatives are tied to their local communities in ways that other businesses are not, that they are owned and controlled by the people who use them and that they exist to serve their members.

“Co-ops can be a key part of building a resilient local economy and can be trusted to benefit people in difficult times,” says Paul Hazen, president of the National Cooperative Business Association, which spearheads the annual observation of Co-op Month. He adds that Co-op Month 2010 is also a chance to celebrate the co-op business model’s contribution to the economic recovery.

“The more people understand what co-ops are all about, the more likely they are to do business with, or even join, a cooperative,” says Dallas Tonsager, Under Secretary for USDA

Rural Development. “Co-ops have a great story to tell, and we all have a role in helping to tell it. I know how busy co-op managers and directors are, but this effort does not have to be a big time-consumer.”

Especially in rural areas, the effort can be as simple as calling or sending a press release to local radio stations and newspapers to let them know about Co-op Month. Co-op leaders should also let the media know they are available for interviews about their co-op and its importance to the members and the community.

During interviews, a co-op spokesperson may want to mention some of the major challenges facing the co-op, and the opportunities it sees ahead. It is equally important to provide the media with some national scope about U.S. cooperatives and the role they play in the national economy. Sample talking points (see sidebar), examples of press releases, newspaper and magazine ads and many other Co-op Month-related “tools” are available on the National Co-op Month website at: www.co-opmonth.coop. The website and education tools being offered have been greatly expanded in recent years.

USDA Rural Development can provide free co-op educational brochures and booklets for handouts. For some ideas, visit: www.rurdev.usda.gov/rbs/pub/cooprpts.htm. To order publications, e-mail:

coopinfo@wdc.usda.gov, or call (202) 720-6483.

Open houses and tours

Many co-ops have found Co-op Month open houses to be an effective way to engage members and the public. These events may include demonstrations and tours of co-op facilities or at a member’s farm. Some co-ops hold related activities — such as games, “moon bounces” for kids, vendor exhibits, raffles, cookouts, etc. — to boost interest in their open house.

“This can be a great way to make some new friends for your co-op,” Tonsager says. “You would be amazed at how fascinated non-farm people are to learn how livestock feed is made or to watch a demonstration on the science of fertilizer application and the technology being used to reduce the impact of farming on the environment.”

Electric co-ops and credit unions can also hold open houses and use Co-op Month envelope stuffers in their mailings to members (indeed, the planning committee suggests using these stuffers throughout the year). New envelope stuffers with messages about co-op advantages can be downloaded from: www.co-opmonth.coop.

USDA will be sponsoring a Co-op Month event at its headquarters in Washington D.C. on Oct. 5. This will include exhibits, talks about co-ops and recent co-op study results, and

Key messages for Co-op Month

Here are some key messages that have been found to resonate with the media and the public. They help achieve the goals of Co-op Month, which are to raise public awareness of cooperatives and celebrate their accomplishments.

- There are more than 29,000 cooperative businesses in the United States that generate more than 2 million jobs and create more than \$74 billion in wages, according to a study conducted by the University of Wisconsin Center for Cooperatives, with support from USDA Rural Development.
- These cooperatives account for more than \$654 billion in revenue. Cooperatives represent a strong business model and greatly contribute to both the national and local economies.
- Studies show that consumers want to do business with companies that share their values, making today's environment ideal for cooperatives and their commitment to the communities in which their members live and work.
- Co-ops don't have to answer to outside shareholders; their goal is to meet their members' needs.
- Co-ops represent democracy in action, with control exercised by a board of directors elected from the ranks of members; the board hires and directs management and is ultimately responsible to the members;
- Cooperatives generate jobs in their communities, keep profits local and pay local taxes to help support community services. Cooperatives often take part in community improvement programs, ensuring that everyone has an opportunity to benefit from the cooperative experience.

To better "bring home" these messages, gather additional data about the role and power of co-ops in your state, region or community. ■

recognition of cooperatives in various sectors that have contributed to their communities and economy in positive ways. The September-October issue of USDA's "Rural Cooperatives" magazine will include a special Co-op Month section devoted to highlighting innovative and noteworthy co-ops which were selected for this recognition by major national co-op organizations and regional co-op development centers.

Special focus Oct. 17-23

The National Co-op Month Committee is asking cooperatives to focus their Cooperative Month activities, if possible, during the week of October 17-23 to create a special nationwide cooperative awareness week within Co-op Month. But if that timeframe isn't feasible, any time in October for an event is still fine.

In addition to press releases, open houses and classroom visits, here are some other ideas your co-op may consider:

- Write a letter to the editor about co-ops. Letters and op-eds in local newspapers are a good way to provide information on the impact cooperatives have on their members, the community, the marketplace and the economy.
- Contact your governor's office and request a state Co-op Month Proclamation be issued (this is often done by state co-op councils, so check with them first);
- Produce a special Co-op Month issue of your co-op newsletter. Also add some Co-op Month content to your website.
- Pick one of your members who exemplifies co-op principles — or in recognition for long-term commitment to the co-op and community — to receive a special co-op spirit award (this can also be part of your press release);
- Create a Co-op Month advertisement or public service announcement (or use one downloaded from the Co-op Month website) and place it with your local media.
- Send a special Co-op Month e-mail to members. This can include the "A Day in the Life" booklet as an attachment, or post it to your website and e-mail members a link to it. This award-winning publication provides a colorful look at the many ways in which Americans rely on co-ops. It can be downloaded from the Co-op Month website.
- Promote year-around co-op education by encouraging your members to sign up for a free electronic subscription to USDA's *Rural Cooperatives* magazine at: www.rdlist.sc.gov.usda.gov/listserv/mainservlet;
- Perform a community service project or hold a fund raiser in honor of Co-op Month. These activities can range from cleaning up a stretch of highway or a public park to staging an event such as the annual race in Washington, D.C., held to raise money for co-op development.
- Hold a drawing for a prize for a co-op member or the general public;
- Set up a Co-op Month banner at your cooperative or a public facility;
- Hold a workshop for members and/or the general public on an

important topic for your co-op. For example, electric co-ops could hold a workshop on energy conservation in the home and address what the co-op is doing to promote renewable energy. University and Extension staff may also be available to make presentations;

- Hold a Co-op Month breakfast, luncheon or dinner for members and/or community leaders, during

which a co-op presentation should be made.

- Produce a simple, 30-second video to post on the Co-op Month YouTube channel that highlights your members and what they love about their co-op. “All of these types of activities can be a catalyst to help people more fully understand cooperatives. One goal should be to show that co-ops are people-oriented organizations operating

on different principles from other businesses,” says NCBA’s Hazen. “These types of promotions will be taking place all across the nation, organized by people directly or indirectly affiliated with cooperatives.”

Like co-ops themselves, this annual observation is a do-it-yourself effort. Don’t be a free rider! ■



This team competed in last year’s race for Cooperative Development, held near Washington, D.C., during Co-op Month.

Pictures, please

Please send us photos of your Co-op Month activity or event for possible publication in a future issue of *Rural Cooperatives*. In addition to gaining recognition for your co-op’s efforts, it will help provide ideas for other co-ops for next year’s event. Also include a photo caption. We will credit the co-op and photographer.

Photos should be of print quality. A jpg file of about 300 dpi (dots per inch) at about four inches wide is the minimum resolution of a photo for the print media. (Note: most digital cameras of five megapixels or so can take print-quality photos, but use the high-resolution setting. Photos taken on the low- or medium-resolution setting may look fine on your computer and website, but they are rarely sufficient for publication. Even if you are shooting a photo intended for your website, you never know when you may later want to use it for a brochure or for the media. So, a good rule of thumb: never use the low-resolution setting.)

E-mails photos to: coopinfo@wdc.usda.gov. ■



50 Years at the Top



Founded to salvage blemished fruit,
Tree Top today is industry leader for apple products

Tree Top apple juice and other fruit products provide a value-added alternative for growers' processing-grade fruit. The co-op has helped to eliminate the massive waste of perfectly good, but slightly blemished fruit, mountains of which were once dumped, as seen here in the 1950s. Photos courtesy Tree Top

By Sharon Miracle,
Communications Manager
Tree Top Inc.
smiracle@treetop.com



Over a half a century ago, Bill Charbonneau, his wife and two sons moved to Washington's Yakima Valley from Southern California. There, he purchased a small apple-processing plant on Produce Row in Selah and he set out to develop a quality brand of apple juice. This small move would soon have huge ramifications for the entire apple industry of the Northwest.

Charbonneau's office was located in the plant so that he could personally oversee juice production. The apples were pressed and the juice was stored in 5,000-gallon holding tanks. Every time a batch of apples was pressed, a sample was brought to Charbonneau to taste. If the juice did not meet his approval, the entire 5,000-gallon tank would be poured down the drain.

Charbonneau held a contest among his employees to choose a brand name for his product. "Tree Top" was the winning entry, it being widely believed in those days that the very best quality fruit grew at the top of the trees. The original product line included three single-strength apple juices and three sizes of apple cider (which is tarter than juice because of the different apples used in the blend).

The region's juice industry was small in those days, but there was a desperate need to develop it further to help counter the tremendous losses growers were suffering on their blemished fruit. Although still delicious and healthy to eat, there was simply no market for blemished apples. In some years, the losses were tremendous.

In 1950, *Life* magazine ran a double-page photo showing 5,000 railway cars filled with Washington fruit being dumped into the Columbia River because there was no processor to handle it. As late as 1960, many growers were paying to have their fruit dumped or buried in the canyons and rivers of the state. The fortunate ones were selling their off-grade fruit for a shaky \$5 a ton.

Co-op formed to stop waste

In a bold bid to turn this situation around, a handful of fruit growers formed a cooperative that purchased Tree Top from Charbonneau in 1960. In just the first 20 years of operation as a co-op, Tree Top generated in excess of \$85 million for its members by transforming what had been a

waste product into premium juices, apple sauce and other delicious food products.

Tree Top is celebrating its 50th anniversary as a co-op that today has just over 1,000 members who grow fruit throughout the Pacific Northwest. Their co-op rings up \$359 million in annual gross sales. In addition to the fruit products it markets to consumers, the co-op is also one of the world's leading suppliers of fruit-based ingredients to food manufacturers.

Tree Top processes nearly 300,000 tons of apples and pears each year, with about one-third of that crop used for premium juices that are marketed primarily in the West and Midwest. The co-op has been a major innovator in the fruit industry, pioneering the production of frozen apple juice concentrate, among other processed products.

It is also the world's largest producer of dried-apple products, which can be found in the nation's top brands of cereals, snacks and bakery goods. Tree Top's food laboratories contain the most sophisticated equipment available for testing juice quality, and it has the apple-juice industry's only trained taste-profile panel.

"We are thrilled to be celebrating 50 years of playing an important role in our Northwest economy and look forward to celebrating this milestone with our grower owners, employees, and our valued customers, and community," says Tree Top President and CEO Tom Stokes. "Our grower-owner relationships are the backbone of our business, making it possible for us to produce the best quality apple juice and products."

The celebration began in May and runs through October 2010, with events being held from the heart of Washington's apple country to The Big Apple (New York City). As the company marks its half-century milestone, it remains dedicated to the tradition of quality established by Charbonneau, Stokes says.

Success tied to establishing brand

Tree Top first began producing frozen apple juice concentrate in 1963, which was developed to meet the demand for a juice that could be economically shipped to any market around the nation. First, however, the company had to sell consumers on the idea of frozen apple juice, as well as sell them on the Tree Top brand.

In 1968, in addition to juicing apples, Tree Top began to slice them. With two plants now specializing in dried-apple products, Tree Top has become the largest supplier of dried



Tree Top Milestones

- 1960** Tree Top established as a co-op; first-year sales: \$1.7 million.
- 1963** First company to produce and market frozen-concentrate apple juice.
- 1968** Expands into the food ingredient business, drying apples at Wenatchee.
- 1975** Wenatchee Plant rebuilt after it was destroyed by fire.
- 1976** Introduces pear-apple and pear-grape juice blends.
- 1980** Expands Cashmere plant; Mount St. Helens erupts.
- 1983** Large food conglomerates enter the apple juice market.
- 1984** Sales for fiscal year hit \$225.4 million.
- 1985** New cooperative equity structure adopted. Completes new Research and Development Center.
- 1986** Alar receives national media attention, hurting sales.
- 1987** Acquires Valley Evaporated Co. Inc. New logo design adopted.
- 1988** Begins co-packing for Japanese market. Purchases U.S. Grape.
- 1995** Partners with Plumlife Co. to produce a fat replacer: Just Like Shortening (JLS), a dried-powder made from fruit that can replace most of the fat in food products. Purchases a plant in Rialto, Calif. Purchases Sun Ridge Foods of Sunnyside, Wash.
- 1996** Tree Top restructures into separate divisions to address unique marketplace needs of Ingredient, Food Service and Consumer Packaged Goods.
- 1998** Three Apple Blend juice introduced in the Pacific Northwest. Apple sauce packaged in plastic containers.
- 1999** Purchases Seneca Foods' Prosser plant and sauce label; Acquires Watermill Foods in Milton-Freewater, Ore. Acquires Vacu-Dry trademark and apple-based industrial ingredients business.
- 2000** Tree Top qualifies in California for USDA's Special Supplemental Nutrition Program for Women, Infants and Children (WIC).
- 2001** Tree Top Fresh Apple Slices debut.
- 2002** Consolidation of large retail grocery chains and increased emphasis on "private label" products challenges retail juice sales status quo.
- 2003** Tree Top Flat Fruit introduced.
- 2004** Tree Top leads in frozen, dark-sweet cherries for yogurts and other foods.
- 2006** New Fresh Slice plant opens on Tree Top's Selah campus.
- 2007** Co-op receives special award from Pacific Power for leadership in energy efficiency.
- 2008** Cashmere processing facility closes due to unprofitable market for apple juice concentrate. "Trim" launched as Tree Top's first functional beverage to help with weight management. Purchases Sabroso Co. of Medford, Ore., in order to expand Tree Top's fruit-based product offerings with purees, nectars, soft fruits and berries.
- 2009** Plant in Rialto, Calif., closed due to significant decline in client bottling needs and under-used plant capacity; New grower-owner contracts set the amount of tons of apples and pears to be delivered and accepted, equal to the market rights owned by the grower.
- 2010** Tree Top celebrates 50th Anniversary.



apple products in the world. Dried fruits are mainly marketed for food ingredient use. Tree Top's dried- and low-moisture apples find their way into the nation's top brands of cereals, breakfast pastries, cake mixes and snacks.

Tree Top introduced its unfiltered apple juice in 1970 to answer consumer demand for "natural" foods. Tree Top also began marketing frozen-concentrate cider that year.

In 1976, Tree Top introduced pear-apple and pear-grape pure fruit blends to provide its members with an outlet for their processing pears. The co-op continues to use pears in many of its juice blends. In this way, Tree Top succeeded in placing a sales value on processing-grade pears, again creating a continued market value for more of its growers' fruit.

Three Apple Blend juice was introduced to the marketplace in 1998 and remains Tree Top's premium juice

offering. A state-of-the-art processing facility was constructed on the co-op's Selah campus in 2006 to handle the booming business of providing sliced apple snacks to the food-service industry.

Tree Top doesn't just purchase processor-grade fruit; it also purchases higher quality fruit if needed to keep pace with product demand.

Health researchers continually find more health benefits associated with apples. Several studies suggest apple products and/or apples may provide a "whole-body" health benefit. Additionally, apple sauce and juice provide a natural sugar substitute and can be used in place of oil or butter in most baked goods to cut back on fat and calories.

Co-op expands via acquisitions

Since the late 1980s, the co-op has acquired several other fruit-processors and brands, including Valley Evaporated Co., Sun Ridge Foods, Seneca Foods Prosser Plant and sauce label division, Watermill Foods and, most recently, the Sabroso Co. of Medford, Ore. These acquisitions gave Tree Top the ability to offer the widest array of fruit-based products and ingredients to retail markets, the food service industry and to food manufacturers.

Tree Top now operates seven production plants strategically located near the fruit sources. The four Washington plants are in Selah, Cashmere, Wenatchee and Prosser. It also operates two Oregon plants — in Medford and Woodburn — as well as one plant in Oxnard, Calif.

Dealing with natural disasters is an unfortunate part of agriculture, but in 1980, it wasn't a flood or drought that the co-op had to deal with, but rather the eruption of Mount St. Helens. When the volcano blew its top, 250 tons of ash fell on Tree Top's headquarters in Selah. The town's main street was piled high with ash, which had to be dealt like a major snow-removal operation.

There was uncertainty about health concerns related to breathing the ash, which wreaked havoc on air filters and caused operations to cease for a time. Growers in the region also experienced uncertainty and had to engage in clean-up efforts. On the bright side, the soil of the region benefits from the volcanic ash, and ultimately it is one of the reasons the Pacific Northwest grows such superb apples.

Like all farmers and their co-ops, Tree Top has had to overcome many other challenges in the past 50 years. In the late-1980s, the scare over the use of Alar on apples caused sales to drop. While scientific evidence never proved a connection between the chemical and cancer in humans, the manufacturer voluntarily pulled it from the market shortly after the national attention began. Tree Top had voluntarily chosen to refuse (and segregate) fruit sprayed with Alar for several years before the national controversy. Still, the entire industry suffered for a time.

In the 2000s, a flood of foreign apple concentrate caused the co-op to make some major changes in its processing and marketing strategy.

Tree Top has met these and other challenges by constantly researching and introducing new products, while fruit-processing plants have been acquired, closed or modified to meet the needs of the evolving marketplace.

"Our little co-op has grown considerably since 1960, thanks largely to the small-town values and work ethics of our growers and employees that have been a part of our culture since the beginning," says CEO Stokes. "We are pleased to now be recognized as a pacesetter in the fruit-processing industry and a premium brand that offers value to our customers." ■



Fresh apple slices, apple sauce and dried apples (for the cereal and bakery industries) are just some of the non-juice products Tree Top produces. Opposite page: an anniversary banner adorns the co-op's headquarters in Selah, Wash.



Why we compete

Good journalism and public relations are more art form than science, and need regular care and nourishment. One of the most important ways its practitioners improve their craft — whether they work for newspapers, magazines, trade journals, ad agencies, educational/association publications, broadcast media, etc. — is through the use of competitions that provide feedback from unbiased judges.

For more than half a century, the Cooperative Communicators Association (CCA) has been helping its members hone their skills with its annual communications contest. This year, 662 entries were judged in four contest areas: writing, publications, photography and programs/projects. On the following pages, we'll look at a small sampling of the first-place award winners.

Regardless of whether an entry earns a ribbon, every co-op communicator benefits from the judges' comments and from the self-evaluation they engage in when reviewing their work from the prior year to decide what to enter. Ultimately, the real winners are members and employees, for whom communications is the lifeblood of the co-op.

Reality Check

Year-to-year comparison failed to tell story, so CHS annual report provides perspective

By Dan Campbell, editor



No doubt about it, 2008 was a hard act to follow for CHS Inc. Even if the economic recession hadn't cast a shadow over 2009, it would have been hard for CHS Inc. to match the record-breaking results it enjoyed in 2008.

So when she went to work on the co-op's 2009 annual report, one of CHS

Communications Director Lani Jordan's biggest challenges was to come up with a theme that reflected the drastic change in financial results while providing some much-needed perspective on the company's still-solid 2009 performance beyond a simple comparison of the two years.

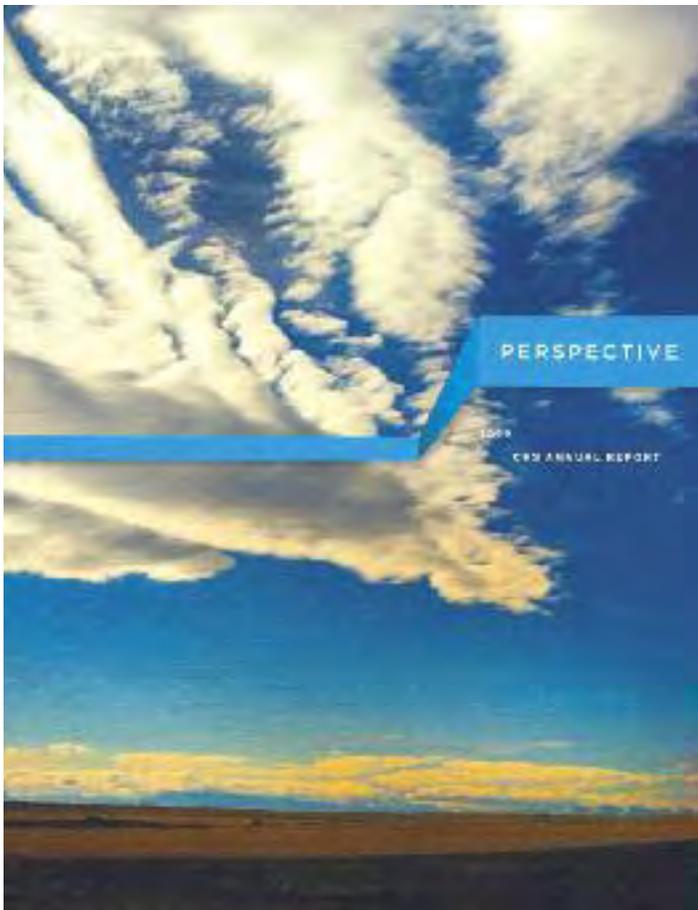
Net income of \$803 million in 2008 dropped to \$381 million in 2009. But considering the historic plunge the U.S. economy had suffered, many businesses

that were struggling just to limit the red ink in 2009 would have more than welcomed such an outcome. Indeed, it was the fourth best annual income recorded in the co-op's nearly 80-year history.

Hence, "Perspective" became the theme for the 1st place winner in CCA's highly competitive "Annual Reports, \$50,000 budget and above" category.

"When we wrapped up fiscal 2008, the world was catching its breath as

“It is virtually a year-around job. When you finish one, it’s just about time to start the next.”



The cover and two inside spreads from CHS’ 2009 annual report. Many of the subjects included in the annual report will also appear in feature articles in the co-op’s member magazine.

prices for energy, grain and crop nutrients — commodities that make up the core of our business — reached unprecedented heights,” CEO John Johnson and Chairman Michael Toelle wrote in their letter near the start of the 62-page report. They go on to reference the drastic change in the 2009 marketplace and a 53-percent drop in net income. However, they continue, “...we achieved marks ahead of our own projections in an environment that

challenged industries, economies and consumers across the board.” Indeed, they note that several divisions had their best or second best performances ever in 2009.

Bottom line: the co-op had a pretty good run in 2009, especially given market conditions.

The game plan

The 2009 annual report was the 20th one Jordan has produced for CHS. If

she doesn’t quite have it down to a science, she at least goes into the project with a tried-and-true road map of how to go about it and knowing when the various pieces need to be completed.

Producing a quality annual report like CHS’ on time is not something you start two or three months prior to your annual meeting, she stresses. “It is virtually a year-around job,” Jordan says. “When you finish one, it’s just



about time to start the next.” And unlike your co-op magazine or newsletter — which can sometimes be a week or two late without anyone being forced to walk the plank — there is no such leeway on the deadline for an annual report, Jordan notes.

Virtually all co-ops strive to have their annual report in members’ hands prior to, or at, their annual meeting. Because CHS offers a relatively small amount of publicly traded non-voting, preferred stock on the NASDAQ exchange, it must conform to Securities and Exchange Commission (SEC) regulations that require its annual 10K report to be filed by mid-November, a few weeks before the co-op’s annual meeting in early December.

As a federated co-op, CHS members are primarily local grain and farm supply co-ops located across the nation. Each of these co-ops receives two copies of the report, intended for the general manager and board chairman, with more copies available on request.

The annual report is much more than a report to members. It is also a major corporate image piece used for government and public relations, employee recruitment and in some marketing efforts. Copies are circulated to important customers, lenders, the media and government officials.

Further, the work that goes into producing the report will also yield more in-depth feature articles for the co-op’s member magazine and videos for its website. “It’s a real workhorse for us,” Jordan says.

Road trip

The CHS annual report is produced “journalistically,” Jordan says. No stock photos or professional models are used. The focus is on real-life success stories that demonstrate key accomplishments

or progress toward achieving the co-op’s goals.

She and CHS staff photographer David Lundquist (the CCA photographer of the year in 2010 and a frequent winner of the honor) typically visit five locations around the country — and, in recent years, internationally — selected because they demonstrate accomplishments in one of the co-op’s core business areas (energy, crop inputs, grain marketing and processing and business services). Jordan acts as reporter and typically shoots the action or b-roll video footage, while Lundquist takes the still photos, switching to videographer when shooting an interview Jordan is conducting. This year they made their first road trip in late June and plan to have finished the trips by early October.

The annual report is also posted on the Internet and includes links to videos and interviews for those interested in learning more than can be included in the brief write-ups contained in the hard-copy report.

But the task begins long before that first road trip. By late February, talks are already being held with management and key employees about the outlook for the year ahead and areas that are likely to deserve special attention in the report. This leads to brainstorming for a theme.

During the summer, a written survey is sent to about 40 business unit leaders to gather highlights. Jordan says she enjoys a great working relationship with the co-op’s accounting team, which provides the content for the financial pages.

“We are fortunate that our people get excited, and are honored, when selected to participate in the annual report,” Jordan says.

In early August, she sits down with

senior leadership to discuss the overall tone for the report and how it will reflect the theme. Soon after that, Jordan begins work on the all-important opening letter to the members from the CEO and chairman, as well as ideas for their speeches at the annual meeting. The objective of the opening letter, she says, is candor and transparency for the year just ended, as well as a focus on the CHS vision, mission, values and strategic direction.

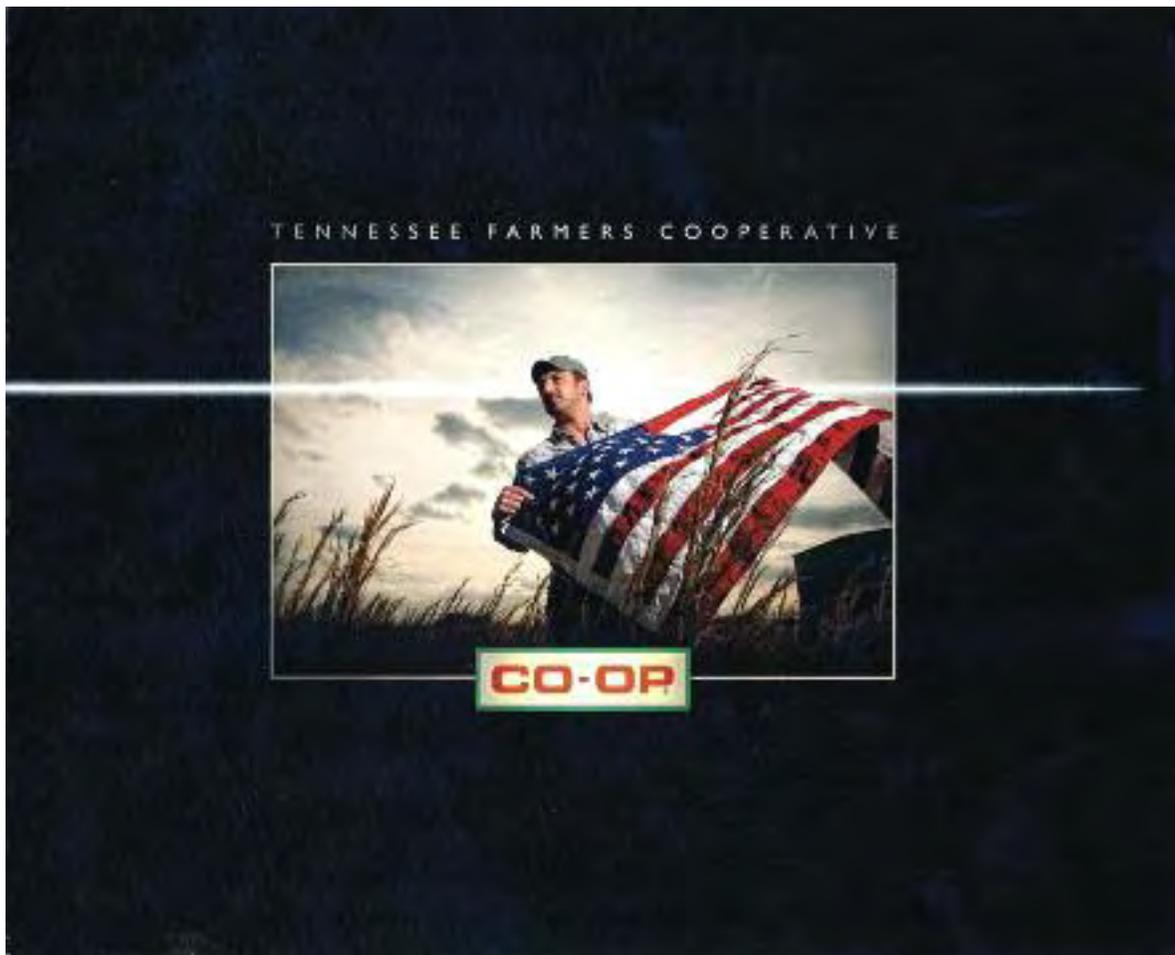
Assist from PR agency

The co-op’s long-standing public relations agency, Colle + McVoy of Minneapolis, provides creative services, such as layout and design, and does some of the writing for the report. The PR firm and printer are brought into the planning process quite early. The designer will typically present several design concepts, and the printer is often able to make money-saving suggestions when these are reviewed.

The report is usually on press by mid-November, with a press run of 17,000. The advent of the Internet and easy availability of the report online have cut down on the need for a larger press run. As a result, the budget for the report has basically been flat for the past 10 years, Jordan says.

“Like children, each report is different and has its own personality,” Jordan says. “There is usually some last-minute event or issue to deal with, but the basic elements remain the same from year to year.”

The biggest lesson she has learned after two decades of doing the job: “You have to work based on a firm schedule. Structure it backwards from the day you need it. Be flexible, but do what you have to in order to keep it on track.” ■



Tennessee Farmers Cooperative used this special report to contrast co-op business principles to risky business practices.

Making Hay with ‘Bailout’

‘Cooperative America’ theme inspires TFC’s Publication of the Year winner



ad news can often lead to good ideas. That’s the case with Tennessee Farmers Cooperative’s (TFC) 2009 annual report/company brochure that recently won “Publication of the Year” honors from the Cooperative Communicators Association.

All of the “wrong” things happening within some sectors of corporate America over the past few years have given member-owned organizations such as TFC an opportunity to tell what’s “right” with cooperative America. This concept inspired the theme of the publication, produced to

coincide with the 2009 annual meeting of TFC, a farm supply cooperative headquartered in LaVergne, Tenn. This 34-page brochure differentiates the solid business principles of cooperatives from risky business practices.

“The ‘bailout’ phrase is actually what sparked this entire publication,” says Allison Morgan, TFC’s Communications Department manager. “In brainstorming for a theme, we started



with a play on words — ‘bale out’ — illustrated by a photo of a farmer baling hay.” From that initial idea, Morgan says the communications team kept brainstorming about ways to dramatically show the positive business ethics and practices of cooperatives.

For example, a co-op bonus check is



a patronage refund sent to co-op members. In this brochure, “Wall Street” is a rock fence on a beef cattle farm and “stimulus package” is a bag of co-op plant food being used by a college horticulture class.

“Today’s cooperatives are living proof that our form of business is viable and vital,” the publication’s introductory page states.

Although not officially an annual report (because financials are not

included), the “Cooperative America” publication was produced by TFC to share highlights of the 2009 fiscal year. TFC produces a similar piece each year that reflects the cooperative’s annual meeting theme. The brochure is distributed at the annual meeting in late November, then used year-round as an informational piece.

All of the copy, design and photographs, except for occasional stock images, are produced in-house by

TFC’s Communications Department staff. The timeline of actual production is usually a two-month period, from mid-September through mid-November, although theme planning and brainstorming usually take place earlier in the year.

TFC has a budget of around \$7,500 for this publication and prints about 2,000 copies. ■

Doing it right: TFC Communications

With a total of 24 awards this year — including two of the top honors, Writer and Publication of the Year — Tennessee Farmers Cooperative’s Communications Department is consistently among the biggest overall winners in the Cooperative Communicators Association’s (CCA) annual communications contest.

There’s no real secret to this success, says Allison Morgan, TFC’s Communications Department manager and editor of TFC’s membership publication, the Tennessee Cooperator. It’s simply a matter of assembling the right staff and always keeping the cooperative’s mission in mind.

“We have a talented team who all have skill sets that complement each other,” says Morgan. “We work well together and we can do virtually everything in-house — from creative development to graphic design to photography to writing. We’re a fiscally conservative company, so doing things on our own keeps budgets in check. Plus, no one knows our audience and customers better than our own staff.”

Holding the creative team to the highest standards of quality also leads to

award-winning work, adds Morgan.

“We don’t aim for ‘acceptable’ work — we want exciting, captivating, inspiring communications pieces,” she says.

“Whether it’s proofreading excessively to make sure every comma is in place,

redesigning an ad that doesn’t meet our publication’s standards, or going out at sunrise to capture the perfect light in a photograph, we never do anything halfway. That often means long hours and stressful deadlines, but the end result is always rewarding when we’ve done our absolute best.”

While TFC staffers brought home their fair share of trophies from this year’s CCA contest, Morgan says the competition means much more than awards and accolades.

“Entering contests allows us to reflect and evaluate a year’s worth of work and gives us a benchmark to measure what we’re doing against others in our field,” she says. “When you win, it builds confidence in your abilities and provides more credibility with readers, customers, coworkers, managers and peers. When you lose, it just re-energizes you to do better next year!” ■



Allison Morgan interviews a co-op member for an article in TFC’s prize-winning publication, Tennessee Cooperator.

The use of a horizontal format helped reinforce the "Bright Horizons" theme of Aurora Cooperative's annual report. Judges also liked the simple, clear graphics on the financial pages.



Judges comments:

"Theme, imagery and titles tied together nicely. Good use of logo/branding on cover and interior. Message from president/CEO and board chairman is well written. Good choice of companion colors and imagery.

"Horizontal layout fits well with the "Horizon" title. This is a very nice annual report — it is clean, the writing is concise and the imagery is pleasant and provides a consistency throughout the pages. The color scheme and layout are "comforting" — which is a good thing in this economy. The report has the simplest and clearest presentation of financials entered in this year's competition." ■

Horizons-themed report a winner for Aurora



urora Cooperative, a farmer co-op based in south-central Nebraska, claimed first place honors for annual reports with a budget of less than \$50,000. Brett Faber, who recently moved from being communications

manager to human resources manager for the co-op, provides some insight, below, into how the co-op went about producing this memorable annual report, which communicates a lot of information in only 12 pages.

Question: Who is the audience for your annual report?

Brett Faber: Aurora's member-owners are the audience. Our bankers also find it useful.

Q. What was the press run? Is it also on the Web?

Faber: We printed 1,000 copies and also posted in on the Web.



What was the overall goal?

The overall goal was to inform our members on the performance of our company for the fiscal year and highlight our four core business areas: grain, feed, agronomy and energy.

Was it produced in-house, or by an agency?

We used an agency, David and Associates, to produce it.

What was the budget and timeline for the project?

The budget was \$6,000, and it took about a month to produce this project,

from concept to printing.

Describe your planning process.

David and Associates met with George Hohwieler, Aurora Cooperative's president and CEO, and other cooperative staff to get a solid understanding of how our 2009 fiscal year was shaping up and how the cooperative expected the next year to go. A year earlier, our annual report included information about Aurora Cooperative's success in more troubled times — how the cooperative performed very well even though there was turmoil in global financial and

agriculture markets.

From the cooperative's perspective, we felt that the most difficult times were behind us and that we would have an outstanding 2009 and would be in an even better position for what we believed was coming in 2010. Our agency team took these thoughts and developed the "Brighter Horizons" theme and the overall look of our annual report. Our "A" logo, with the sun behind it, appears in different images of horizons. Our team felt this look and tagline fit our year perfectly, and the agency ran with it. ■

Cool. Funny. Sweet!

America Crystal designer-tees wow members & judges



The Programs and Projects portion of the CCA co-op communications competition includes endeavors as varied as co-op websites, videos, exhibits and advertising, among others. It also includes a "Miscellaneous" category for harder-to-classify projects. This year, not only did American Crystal Sugar Company take home the first place trophy in Miscellaneous, but its entry also won the grand prize for best of class in Programs and Projects.

While many co-ops sell t-shirts, caps and jackets with their co-op logo, ACS' new line of t-shirts are graced with beautiful designs and colors, as well as text that blends humor with a serious message. Shameless attention grabbers!

Question: Were the t-shirts geared for members or the public?

Jeff Schweitzer, ACS

Communications Director: Members, employees and other interested parties.

Q. What was the overall goal or main message?

Schweitzer: The garments were part of a "re-imaging" campaign for American Crystal's Company Store. The Company Store merchandise had become somewhat stale over time. The goal was to create a set of graphic tees with clever messages to liven things up, pull more traffic to the store and drive sales.

We also want to create a sense of pride and a feeling of belonging to an exclusive group for our members. The Company Store operates at our early

December annual meeting, and many members buy gifts for relatives, friends and family. Sales the past year were at a record high.

Were they produced in-house?

The concepts were generated in-house. The graphics were a joint effort of in-house and agency creative talent. The garment production was done by a long-standing vendor who manages American Crystal's fulfillment needs.

What was the budget?

About \$500 per garment design was used as a limit for graphic design.

What kind of timeline did you have?

Coming up with creative ideas and items to outfit our Company Store is a continuous process that spans the whole



year. That said, these ideas were generated in August, produced in November and went on sale in December.

Any special considerations or concerns that you had to keep in mind?

As a 37-year-old cooperative, American Crystal is seeing a demographic change in our member base. The founding members are retiring, and many second- and third-

generation members are now in control of the farming operations. Through the fresh graphics and messages of these garments, we wanted to tip our hat to these younger members while acknowledging the proud heritage of our founding members. We also wanted to drive some “coolness” back into our product offering.

Results/reaction?

As evidenced by most of these garments selling out at our annual

meeting, we hit the nail on the head. Our assessment was accurate that people’s interests have swung away from having a simple logo on a shirt or hat, to garments with clever messaging about the business. We also cashed-in on returning trends to oversized graphics and the “mashing” of contemporary-throwback graphics. American Crystal is pleased with the results. ■



Food for Thought

Winning print ad helps horse owners realize that economy and quality can ride together

Best Print Advertisement is another contest category that always draws impressive entries. Claiming first place for her Equis Feeds ad was Caroline Snodgrass, marketing communications specialist with CHS Inc.

Question: Where did the ad run?

Caroline Snodgrass: We ran the advertisement in the *Northwest Rider* and *Rocky Mountain Rider*, along with various other local newspapers.

Q. Target audience?

Snodgrass: Value-conscious horse owners, primarily in the Pacific Northwest, were the audience.

Was it used on the Web?

No, the advertisement just directs customers to: www.equisfeeds.com

Overall goal or main message?

The Equis brand is geared towards owners who want to give their animal quality nutrition, but not at an inflated price. There are lots of other things you can do with the money you save using Equis feed, but you know at the same time you are providing the best



nutrition for your animal.

Produced in-house? Any freelance work used?

We used an outside agency for the design. A freelancer helped with the copy.

Budget? Timeline?

The budget was \$3,500; the timeline was one month.

Planning process?

This is the first advertisement for our revamped Equis brand. This was one tactic among a number of items used to launch the new identity.

Any special considerations or concerns?

We wanted to make sure people know that they can provide the best for their animals at a good value. We want to make sure we are known for quality, not just as the economy brand.

Any lessons learned?

You can do a lot on a little budget.

Results/Impact?

Our sales have increased 30 percent in the past six months in the area we advertised. This is also being accomplished with the help of our aggressive sales team. ■



CCA honors go to: Krisle, Brooks, Dumont

Editor's note: article courtesy Teri Ditsch (TJD Design), Mark Bagby (Calcot) and Donna Abernathy (DLF Communications).

The Cooperative Communicators Association (CCA) presents three special honors each year. These recognize a co-op manager/CEO for communications excellence, a career achievement award for a co-op communicator and an award for an outstanding young co-op communicator (35 or younger).

Krisle wins CEO Award

An accountant by trade, Bart Krisle, CEO at Tennessee Farmers Cooperatives (TFC), is one who sees things by the numbers. But he's equally committed to communicating about matters of importance to his cooperative, which is why the numbers added up to his winning the 2010 CEO Outstanding Communicator Award. Krisle believes "promotion of education," one of the original principles of cooperation, remains important to cooperatives today.

"In the co-op world, our communications people are the stewards of this principle. They are the ones who — day in and day out — educate and communicate with our membership and other key business partners about how the cooperative is accomplishing its mission and creating value for its members," he says. Krisle has been with TFC for 26 years, assuming duty as CEO in 2006. He immediately gained a reputation for having a simple, honest, straightforward communications style with an "open-door" policy that encourages employee

and member feedback.

"As a TFC director, I've benefited from his ability to put information on our level and help us understand complex issues, says "Whitey" Dougherty, TFC chairman. "It's also plain to see that Bart has an excellent relationship with our members at the local level, and it all comes down to how well he communicates with them."

In addition to his strong support for the co-op's award-winning communications team, he is noted for his ability to connect with employees and members at meetings.

In 2009, he instituted a new leadership-development program for key employees and required communications to be included in the curriculum. In 2010, he appointed a committee to study the use of social media as a marketing and communications tool for TFC and its 57 member co-ops and their 70,000 farmer-members. The co-op now has a social media presence on Facebook and YouTube with plans to integrate other interactive tools soon.

Klinefelter Award goes to Brooks

"Innovative. Dedicated. Professional. Eloquent. Successful. Giving. Humble." Those are a few of the words used by fellow workers and communications peers from across the nation to describe Greg Brooks, winner of the 2010 Klinefelter Award for his efforts to "further the cooperative system and raise the standards for cooperative communications." It is the highest honor the association gives for career accomplishment in cooperative



Amber Dumont and Greg Brooks (top) took home CCA's Graznak and Klinefelter Awards (respectively), while Bart Krisle was named top CEO Communicator. Photos courtesy CCA

communications.

Remarkably, Brooks started his career with Georgia's Walton EMC 23 years ago as a member services representative. Despite having no background or training in communications or journalism, he began editing the co-op newsletter in

continued on page 46



Time to Upgrade Your Communications?

As co-ops grow, so does their need to communicate with members, employees and the public. For many co-op managers and directors, it's a struggle to determine at what point to wave the white flag and admit that the office secretary can no longer put out

the type of newsletter the members deserve, or that the manager is way too busy to continue to take press calls or plan member meetings. Not to mention that the co-op's website hasn't had any new content posted in years.

In particular, the rapid growth through mergers of local grain and farm supply cooperatives has resulted in many large, sophisticated agri-businesses that haven't always upgraded their communications to match the rest of their operations. Co-ops that once got by without a fulltime communications specialist are increasingly finding that the time has come to hire someone to take on this workload, including the member publication, media relations and press releases, employee communications, the annual report, website management, meeting planning, etc., not to mention the new social media (such as You-Tube and Facebook).

With many universities now offering ag communications degrees and with many newspapers shedding skilled journalists as they lose business to the Internet, the available talent pool is greater in many regions than in the past. Some co-ops may choose to deal with this need by instead "farming it out," hiring a public relations firm with co-op experience to take on most of its communications chores, or simply to supplement the work of their staff. Either way — with their own staff communications specialist or help from a PR firm — everyone benefits when a co-op can more effectively tell its story

On the following pages, Dori Lichty of United Cooperative in Beaver Dam, Wis., discusses the "before and after" communications picture at her co-op. On page 31, Afton Holt discusses her experiences after about one year on the job as the first communications specialist at NEW Cooperative in Iowa.

United's new communicator also a 'logo cop'

Co-op overview:

United Cooperative was incorporated in 1936 and had its first \$1-million-sales-year in 1963. By 2009, sales had reached \$292 million. In its almost 75-year history, the co-op has only had three managers, including current President and CEO David A. Cramer (see page 48 for more on Cramer).

United Cooperative's main offices are in Beaver Dam, Wis., about 40 miles north of Madison. It employs about 500 full-time, part-time and seasonal workers. It has more than 55,000 names in the member system, mostly in Wisconsin. The co-op has four main divisions: feed, grain, agronomy and energy. It is the largest cooperative feed dealer based in Wisconsin and one of the top five feed dealers in the national Land O'Lakes system. It operates three state-of-the-art feed mills and has eight grain locations with more than 22 million bushels of grain storage, making it Wisconsin's largest grain elevator system.

In addition to offering a full line of seed, the co-op's agronomy division also has a state-of-the-art, custom-application department for crop nutrients and protection. Its energy division sells CHS' Cenex-brand propane, fuel and lubricants. United Cooperative has invested in, and manages, United Ethanol LLC, a corn ethanol plant in Milton, Wis.

The co-op also operates several convenience stores in south-central Wisconsin and owns two very successful Ponderosa Steakhouse restaurants, one in Beaver Dam and one in Hartford, Wis.

Question: How was communications done in the past?

Dori Lichty, communications manager: Prior to hiring me in 2007, communications was done by several different employees who had other primary jobs. The member newsletter was done by a communications/PR firm, and there was a very simple website (part of the DTN network). Only a few press releases were sent out each year — after the annual meeting, etc. The co-op did some radio advertising in the Beaver Dam area. The main office supervisor/administrative assistant was responsible for planning the annual meeting and the employee Christmas party/dinner.

Q. What prompted the decision to hire a communications specialist?

Lichty: In January of 2007, United Cooperative did two things that prompted the action. We merged with Co-op Country Partners, expanding our territory to the western portion of south-central Wisconsin. We also signed a contract with CHS Member Services to

"My philosophy is: if it's remotely newsworthy, write a press release, take a picture and hit the media with it. The worse thing they can do is ignore it. As a result, we've expanded 'free publicity' about 10-fold." — Dori Lichty



Whether it's turning a clever phrase in her newsletter or flipping pancakes at a member picnic, Dori Lichty loves working for her co-op. Photos courtesy United Cooperative

develop a new trademark and unify the cooperative's image. Management quickly realized someone would be needed to help promote United Cooperative in our newly-expanded territory and to implement and police our new trademark.

What new or revised communications efforts have you tackled so far?

On my first day here, we released our new trademark. My primary job at the time was to implement its use on everything — from paper to clothing to trucks. The goal was to have a very consistent image across the board. Fellow employees quickly dubbed me "the logo cop." This process took about two years, and we still have more work to do with the truck fleet.

The logo must conform to set design and color specifications. Everything that needs the logo on it must first



come through me. I have specific vendors who are my “logo deputies,” and know what is right and what is wrong.

I also worked with management to implement a new, more professional clothing policy for employees. Shorts and sleeveless shirts are no longer allowed, nor is any attire bearing graphics other than United Cooperative or our suppliers. I also moved to online clothing orders to save time with paperwork.

I then created United Cooperative’s first marketing budget, which included money for an advertising campaign on about 12 different radio stations throughout our trade territory. I also started producing all the co-op information sheets, brochures, meeting invitations, annual reports, folders, postcards, etc., so that there is a consistent look to all of our marketing materials in all of our divisions.

Our patron newsletter is now done entirely in-house. I have a strong newspaper ad design and pagination (electronic layout) background, so taking on the newsletter was a natural step. I write the patron profile and our employees write the other articles. Since we have about 30 locations, I’ve also implemented a monthly employee newsletter, distributed by e-mail.

How about the media and Internet?

Regarding the media, my philosophy is: if it’s remotely newsworthy, write a press release, take a picture and hit the media with it. The worst thing they can do is ignore it. As a result, we’ve expanded “free publicity” about 10-fold.

Our website was, and remains, a major project on my check list. We use Telvent DTN — a very simple template for a farm co-op website. But many of our rural customers still only have access to dial-up Internet, so we think a very basic website is still the best option for now. However, I created new web pages for each of our divisions. I also added a news page, a “what is a cooperative?” page, a United Cooperative Story page, an ethanol page and added related links. Our grain-bid pages are the most popular reasons for visitors on our website.

Are you involved in special event planning?

Yes. The co-op has always had one big customer-appreciation picnic in Beaver Dam every year. But with our expanded territory, we now hold two picnics. We serve almost 4,000 people, so we keep things simple: dinner, drinks and socializing.

As a result of the 2007 merger, we have made big changes in our employee Christmas party. We now have a much larger group to feed, and there was discussion about cancelling it. But I felt that would jeopardize the teamwork environment and communication we wanted to maintain. So

I put together a budget to rent a banquet room at a resort in Wisconsin Dells. We had a cash bar, appetizers, a plated meal, entertainment (a comedian) and some nice door prizes (computers, TVs, sports tickets, etc.). Employees were offered room-rate perks if they wanted to stay overnight. Our CEO spoke for a few minutes, thanking employees for their efforts, and there was an eight-minute photo show with music that I put together from snapshots taken throughout the year.

I felt really strongly about the need for this event; the day upper management said “yes” to it was one of the happiest days of my career — second only to the day our CEO told me he liked the party and to do it again next year, and even to add some music entertainment afterward.

I also oversee our scholarship program (we had more than 70 applicants for 10 scholarships this year) and donation requests. For donations, we put priority on 4-H, FFA, dairy breakfasts and other organizations and events that support youth in agriculture — the future of our industry. This makes me, rather than one of our salespeople, the “bad person” when we have to turn down a request.

Results, or reaction, from these efforts so far?

The monthly e-mailed employee newsletter has been well-received. With the size of our cooperative, employees like to read briefly about what is going on in other divisions and at other locations. The annual Christmas party is also popular.

The biggest impact of my position has been in the implementation of our new trademark. It is now very easy for our patrons to recognize our locations, vehicles, people, etc., and we’ve received comments accordingly. We earned a second place award from CCA in 2008 for the implementation of our trademark, and in 2009 we earned an honorable mention from CCA for a broad portfolio of our communications work.

What’s on the drawing board regarding communications efforts?

I’m working on a company video that we’ll use to tell our co-op story, to show potential customers and for recruiting employees. We’ve never had one before. We’re using VistaComm, a PR firm with ag and co-op experience, to shoot the video and help me write a script. In the future, I would like to get the co-op more involved in social media. We’ve already started text messaging grain bids, which has been well-received.

What’s your background?

I was raised on a dairy farm in Fond du Lac, Wis., and was very involved in 4-H. To get me to compete in the Fond du Lac County 4-H Speaking Contest, my mother bribed me (she agreed to let me get my ears pierced). At the time, I was scared to stand up in front of a group of people and talk. But I won the blue ribbon, got my ears pierced and I haven’t stopped talking since.

I earned a BA degree in agricultural marketing communications from the University of Wisconsin-River Falls. Following college, I worked in the newspaper business as an advertising consultant, then worked as a marketing coordinator at DCI Cheese Co. in Ritchfield, Wis. My communications skills were sharpened when I took a job with the *Tribune Record Gleaner* in Loyal, Wis. I had to be a “jack-of-all-trades” there, as I am today with United Cooperative.

My husband, Steve, and I have a dairy farm in Ripon, Wis., and we have one daughter, Vivian. In my free time, I enjoy educating others about production agriculture and volunteering my communication skills for Fond du Lac County Farm Bureau Young Farmers and the Fond du Lac County Holstein Association, among others.

What’s been the hardest part of your job so far? What’s been most satisfying about it?

The hardest part of my job is getting something new approved. As is fairly typical of farmer-owned cooperatives, we are very money conscious and evaluate every dollar we spend. However, the most satisfying part of my job is when a project is approved and I can move on with the planning process.

Any key lessons you’ve learned so far?

I can be aggressive about doing my job, and the biggest lesson I’ve learned since I started here is that sometimes it’s best to take off my “aggressive hat” and put on my “listen-and-learn hat.” Many of my fellow employees, including our president and CEO, have been working in the cooperative system their entire careers, and I’ve learned a lot from these people, about business and management, by listening.

Quote from Co-op President/CEO David A. Cramer:

“I’m pleased with the results so far. We’ve made a lot of progress since Dori was hired. She is very detail oriented; this helps keep our message consistent and complete. In the past, some of that detail and consistency was lost because we had several people handling different parts of our communications program.

“I think as cooperatives grow, it is very important that your story be told to as many people as possible. If that is going to be accomplished properly, a communications specialist is needed. In our case, we have enough work for a fulltime position. Some cooperatives may not have that option. However, a ‘sharing arrangement’ with another company might then work out.” ■

Something’s new at Iowa’s NEW Co-op

Co-op overview:

NEW Cooperative is a grain, agronomy and feed cooperative with 21 operating locations in Northwest and North Central Iowa, including the main office in Fort Dodge, Iowa. The co-op serves more than 2,800 members.

NEW was formed in 1973 when local cooperatives in Badger and Vincent, Iowa, merged. NEW is an

acronym for North East Webster, the home county of Badger, Vincent and Fort Dodge.

Since that merger, NEW has grown steadily, the most recent addition coming in 2007 when NEW merged with Farmer’s Cooperative elevators in Carroll, Glidden, Lidderdale and Lanesboro, extending NEW’s trade area further south. NEW has also added many products and services, especially in the agronomy department, where additional seed choices and innovative fertilizer and crop-protection products are offered. Due to the tremendous increase in agronomy sales (new records have been set repeatedly), a number of capital improvements and additions have been made, including construction of some major new warehouses.

Also under the Agronomy umbrella is the MAPS (Midwest Agronomic Professional Services) department. Developed around 1995, when precision agriculture began to boom, MAPS has since grown to include an in-house-developed program for precision field management. This involves all steps in the process, from soil-sampling, variable-rate application prescriptions, yield mapping and service and installation of precision hardware equipment.

Question: How was communications done in past, and who was responsible for it?

Afton Holt, Communications Specialist: Before creating a communications specialist position at NEW, communication responsibilities rested on several different sets of shoulders. Many publications were outsourced, the website needed

updating, press releases were rarely issued and employee communication needed attention. Decisions about co-op advertising were primarily made by one person who had many other important responsibilities. As NEW continued to grow, it became harder to make sure advertising dollars were being spent in the most efficient and beneficial way. Many



other communications jobs were done by multiple people who had other primary job responsibilities.

Q. What finally prompted the decision that it was time to hire a communications specialist?

Holt: NEW was growing in so many directions that it became increasingly apparent that a specialized communications staff person was needed to take on the responsibilities that had been previously been a side job for others. This, of course, also freed up more time for them to devote to their main jobs.

What new or revised communications efforts have you tackled so far?

The first communications tasks I took on were the website, employee newsletter and how donations were handled. As a cooperative, we understand the principle of making sure we are taking care of our communities, and donations have always played a big part in that. We now have developed donation request forms, which I am the first to review. This also ensures that NEW's donations meet our priorities: agriculture, youth and community betterment.

The website was a year-long process, from start to finish, and will continue to be a project that is updated with new features and options. We now provide our members, customers and employees an improved website that provides information they need from the cooperative. We have also just launched our mobile website, along with the ability to receive grain bids for corn and beans via text messages.

As I continue to work to advance the communications at NEW, the main goal is to not just sell or grow, but to provide for our members a cooperative that they are proud to be a part of. The main goal of maintaining a positive image is why we continue to plan more customer appreciation and community events, in addition to providing information in new, professional ways to help educate our customers.

Any results or reaction to these efforts so far?

As we've improved our communications products and as more planning has gone into areas such as advertising, producer meetings, annual reports and meetings, community involvement, etc., we have begun to receive encouraging comments from members and the public. I accepted two awards at the Cooperative Communicators Association's annual Institute in June for the categories of best Website and Most Improved Publication (for our employee newsletter).

After returning from the Institute, I announced these awards at a board of directors meeting, after first thanking them for their support of my position and the input that has

helped us achieve these awards. Due to the great backing by members, directors and co-workers, we have all helped to increase the communications at NEW.

What's on the drawing board in the way of other new communications efforts?

The next large project on the horizon is to produce a new video about the company, and a video for employee recruitment purposes. We'll also be focusing on our employee orientation program. An ongoing project is to take a closer look at our advertising dollars and where they are best used, and we are beginning to step into the social media and e-mail marketing sector. With so many options available, we are making decisions as to what will most benefit NEW and our members.

Are you using any outside experts to help with your communications (such as a webmaster, or layout/design person)?

Our website required outside help; they were excellent to work with and took my content and design ideas and laid it out wonderfully. Much of our printing is done in-house, but for many larger print jobs — such as customer newsletters, annual reports and some direct mail pieces — we use an outside printing company. I do most of the design and layout.

Tell us about your background.

I am originally from Ellsworth, in central Iowa, where I grew up on a farm raising livestock. I attended Iowa State University and graduated with a BA degree in Agriculture Education-Communications, with a minor in Animal Science. I benefitted from many outstanding internships that helped me understand how extremely important marketing and communications are in agriculture, and how one person, through well-executed communication efforts, can change thoughts and provoke action."

Do you have any other duties besides communications?

I also plan many of the co-op's special events, which I consider to be part of the communications function. These include the employee Christmas party, golf outings, board retreats and our 1st Annual Motorcycle Poker Run (to raise money for our local schools), among others.

What's been the hardest part of your job so far?

The hardest part about my job is not opening my supervisor's eyes to change, but opening up the eyes of some others. While most think that change is good and needed, others can be hesitant if something is already working "good enough." Good enough isn't good enough for me! There are

Afton Holt interviews Steve Daniels, manager of one of NEW Cooperative's facilities in Iowa. Below: Holt snaps some photos at NEW's facility in Duncombe, Iowa. Photos courtesy NEW Cooperative



“It is so important to me that NEW never loses the ‘local cooperative’ feel to our members and communities.” — Afton Holt



always ways we can look to improve something and step out of the box.

It has also been tough to make sure my communication efforts are targeted to all members. With such a wide age range and multiple generations involved in production agriculture, it is a challenge to make sure the message I am sending is well received by members of all ages.

What's been the most satisfying part of the job?

Being a representative of the cooperative and knowing that wherever I may be, I am a face of the co-op. I have a job that allows me to interact with the same type of farmers and rural people I grew up with, and I enjoy establishing new working relationships with them. It is so important to me that NEW never lose the “local cooperative” feel to our members and communities.

I love that I can be constantly creative, and that no two days are ever the same. One of the most important things I was looking for in employment after I graduated from college was to find a place where my everyday job responsibilities would involve providing a service to, and helping, others. I do just that.

Any key lessons you've learned so far?

You will never be able to please everyone, but if you take

the time to listen to people's thoughts — negative or positive — you will be able to create the best decision or solution possible and walk away confident in what you did. And never forget who you are representing: yourself, your cooperative and your community.

Quote from Co-op Manager Brent Bunte:

“It has become increasingly important for cooperatives to be able to effectively communicate with their members, employees and the public. A communication specialist is able to bring different departments of the cooperative together to make sure that everyone understands the same goals and projects being put in place. Since NEW Cooperative has hired its first communications staffer, we have seen great improvement in many areas and more attention to details that were previously overlooked. Our mission is: To Add Value To Our Members' Operations. A communication specialist is another way of adding value for our members.” ■



An American Farmer in Afghanistan

*Equity Livestock co-op member says volunteer stint
in war-torn nation challenging, but also rewarding*



George Roemer's co-op experience has been an asset in his efforts to help rebuild Afghanistan's agriculture sector. Above: Roemer (third from right) shares a meal with Afghan and U.S. service members and with elders of the Shinwari tribe. Top: He checks on a fat-tailed sheep. The citrus orchard (in the background) is being rehabilitated by the military to provide food and work for local people. Photos courtesy George Roemer and Equity Livestock Sales Association

By George Roemer

Editor's note: Roemer is a dairy farmer, has worked as an ag teacher and is the former board vice chairman of Equity Cooperative Livestock Sales Association in Baraboo, Wis. This article (slightly abridged here) originally appeared in the spring issue of "Equity News," the co-op's member newsletter. The opinions expressed are his own, and do not necessarily reflect those of USDA or its employees.



When I first came across the job description for "Field Program Officer" (FPO) with the United States Agency for International Development (USAID) in Afghanistan, it seemed a far-fetched idea to apply for it.

Today, I am writing this article sitting in a Forward Operating Base (FOB) near the city of Jalalabad in Nangarhar Province. We are located on the old 'Silk Road' used by camel caravans, Genghis Kahn, Marco Polo, the British, the Russians, the Taliban and now the Americans. It is the main route to Pakistan via the Khyber Pass, about 35 miles away.

So why would a farm boy from Rubicon leave the comforts of Wisconsin, America and family to enter a war zone 9,000 miles home?

It was a long, hard, gut-wrenching decision, based on three personal experiences: 1). President John Kennedy's "Ask not what your country can do for you..." speech; 2). A Bible verse that begins, "As ye do unto the least of these..."; and 3). The desire to try and make the world a safer place for our children and grandchildren by giving back to a country that has allowed me to do so much.

I don't have any illusions about changing the world. I discovered, however, there are too few folks helping over here who have practical, "hands-on" agricultural experience. The agency that hired me was thrilled with my resume. The experience I gained as an Equity Regional Board member is a key reason I was hired. Being a Peace Corps volunteer, ag teacher and dairy farmer were important as well.

My work here consists of two major duties. One responsibility is to help administer the USAID programs in Nangarhar. About 20 percent of all American aid comes here because this is the "breadbasket" of Afghanistan. The other responsibility is to advise and assist the Agribusiness Development Team (ADT), made up of Missouri National Guard members. They plan and design projects to support agriculture, like greenhouses, cold storage, slaughter houses, etc.

I may also help advise in the area of agricultural education. It seems my 'skill set' matches the work quite well.

Beautiful but suffering land

This is a beautiful and confounding country.

Almost everywhere one looks, the horizon is filled with

snow-capped mountains. In many of the valleys are centuries-old terraced fields fed by irrigation systems that start in the mountains. Afghanistan only gets about 14 inches of rain per year, so to grow crops, water is diverted from rivers and streams to small fields of wheat, vegetables, orchard crops, rice, onions, dates and pomegranates, to name just a few.

Most field work is done with hand labor. Winter day-time temperatures here are 50 to 60 degrees. Summers get to be more than 100 degrees. Locally, this area is called Flower Land, because many flowers bloom in the spring and summer.

This is also a country that has been at war for more than 30 years. Most cities are rebuilding after being bombed into oblivion by any number of recent foreign invaders. As you read in the newspapers, there is still an insurgency trying to exert itself on the populace with its radical form of Islam.

Some things here have surprised me: fields of alfalfa; a Holstein cow we discovered was bred by artificial insemination; flood irrigation; Massey Ferguson tractors pulling elaborately decorated trailers; a livestock market capable of holding 1,000 large ruminants (water buffalo and cattle) on auction day.

Some things seem odd: soldiers are required to remove their hats in the lunchroom but carry weapons at all times; old men in turbans and blankets stop to answer cell phones; "jingle trucks" (so-called because of fringes of chains and bells attached to their bumpers that tinkle when they travel); jingle tractors.

Some things are appreciated: flush toilets; hot showers; care packages; fruits and vegetables in abundance.

Some things are discouraging: lack of self-esteem among many Afghans; treatment of women; the desperate need for education for all children; open sewers in Jalalabad, a city of 600,000 with no municipal sewage system.

Some things are encouraging: a recent pact of tribal elders to oppose the Taliban; the doctors at Ghanikhil Hospital, who are passionate about their patients and women's care; the dedication and professionalism of the 1-108th Cavalry Georgia National Guard.

Travel is challenging

When going on a mission "outside the wire" (the FOB is surrounded by 18-foot walls topped with rolls of razor wire), it is with a PSD (personal security detail). We travel in MRAPs (super armored trucks with turret guns and 4-inch-thick glass windows).

Upon dismount, I am protected by heavily armored and armed American soldiers and Afghan police. When told to "get in the middle, sir," I do. The embassy issued us helmets and armor, but as civilian non-combatants, we are not allowed to carry weapons.

The PSD is looking at things also and keeps crowds back.

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Grow Food, Grow Hope

*Local food, new skills sprout
in Ohio community gardens*

By Anne Todd

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More than 40 lower-income families in Wilmington, Ohio, are tending plots in a community garden on the Wilmington College campus to grow their own vegetables and herbs. The community garden is part of the “Grow Food, Grow Hope” (GFGH) initiative, a project designed to raise awareness of the benefits of local food production and backyard gardening.

A key goal for GFGH is to help Wilmington residents learn to practice self-sustaining daily food habits.

“Families learn how to garden, but more importantly, they become self-sufficient and have the ability to control one thing in their lives: the ability to grow fresh food,” says Monte Anderson, Wilmington College professor and chair of the agriculture department, who is one of the project’s founders.

Project roots

When Grow Food, Grow Hope was started last year, it was at a time when the need for services by low-income people in Wilmington was especially acute. A city of 12,000, Wilmington has been significantly affected by the economic downturn,

which really hit home when one of the region’s major employers — DHL, an air freight company — closed its Wilmington facility in July 2009, eliminating 8,000 jobs.

Ground was broken for the community garden at the college in spring 2009. GFGH subsequently taught 20 area lower-income families how to grow their own produce. The plots were provided free to the families, as were the tools, education materials and other needed resources.

Grow Food, Grow Hope is an AmeriCorps VISTA community project designed to lift low-income residents out of poverty. GFGH is carried out by nine young VISTA volunteers and a number of community partners. Wilmington College provides office space, equipment and the other material support needed to carry out the initiative. The project is funded through a three-year AmeriCorps grant, which pays a stipend for the nine VISTA volunteers.

Grow Food, Grow Hope also received a \$20,000 grant in December 2009 from Tom’s of Maine. The company selected 50 organizations across the country as finalists for a grant, and then held a contest where customers voted for their favorite through the Tom’s of Maine website. GFGH was one of the winners of this nationwide contest.

Since GFGH’s launch in 2009, the scope of the initiative has expanded beyond the community garden, and GFGH volunteers now lead or partner in nine additional local foods projects. The primary

These garden plots are helping people in Wilmington, Ohio, grow their own vegetables and herbs under the Grow Food, Grow Hope (GFGH) project.

Photos courtesy GFGH



focus areas include community and backyard gardening, “buy local” campaigning, farmers markets, Community Supported Agriculture education, youth and community outreach, research and data collection, as well as public relations.

The programs it supports include:

- **Community Garden** — This year, GFGH has doubled the number of families participating in the Wilmington College community garden and has doubled the number of plots. The 2010 application period closed on March 31, 2010, and soil preparation and planting began in early April. GFGH has also started another community garden site on a tract of land on Mulberry Street in Wilmington, which was donated by a local resident. That garden is comprised of seven plots.
 - **Backyard Garden Project** — The Backyard Garden Project is a new GFGH initiative for 2010. GFGH workers are introducing small-plot gardening into the backyards of families around Wilmington to increase their access to fresh and nutritious food. GFGH plans to install 12 backyard gardens this year and to have 35 backyard gardens up and running over the next three years.
 - **Wilmington College Farm** — An acre of land on the Wilmington College farm is devoted to bulk vegetable production, with the majority of the harvest donated to local food pantries. In 2009, GFGH planted more than 500 tomato plants, a quarter-acre of sweetcorn and potatoes and dozens of rows of peppers, squash, zucchini and pumpkins, among other vegetables.
 - **Youth Outreach** — GFGH brings the core values of growing food to children through activities and educational seminars held at its garden sites around Wilmington and at the children’s schools. GFGH also
- operates a youth literacy program called “Read and Seed,” which has been successful in its first year and continues to grow.
 - **Edible Landscaping** — A growing trend in vegetable gardening is landscaping around buildings and public places with edible fruits, vegetables and herbs. In 2009, Wilmington College Agriculture Department Chair Monte Anderson arranged the planting of a variety of edible plants around the campus library. In 2010, GFGH is expanding the number and variety of edible plants and placing them around more buildings on campus.
 - **Clinton County Farmers Market and “Buy Local First” Campaign** — GFGH is partnering with the city of Wilmington and the Clinton County Regional Planning Commission in a Buy Local First campaign and the Clinton County Farmer’s Market. GFGH workers staff a booth at the farmers market to conduct outreach and network with market managers and customers. GFGH is promoting the county’s Buy Local First campaign on the Wilmington College campus, where about 1,200 potential shoppers spend nine months out of the year, by encouraging students to patronize local businesses and restaurants.
 - **Clinton County Fresh Network** — The mission of the Clinton County Fresh network is to strengthen the local fresh food economy in Clinton County by creating a viable and sustainable local food system with direct links between local producers and consumers. GFGH is helping support this brand-new initiative by collecting survey data from local producers.
 - **ECC (Energize Clinton County) Demonstration Garden** — The ECC Demonstration Garden was opened in June of 2009 at the J.W. Denver Williams Memorial Park in

Wilmington, with the goal of demonstrating that a considerable amount of food can be grown in a relatively small space. GFGH regularly collaborates with the ECC group to plan educational events at the demonstration garden.

- **Food Distribution** — During the peak of harvest season, the amount of food grown for donation on the Wilmington College Farm can total hundreds of pounds a day. GFGH helps to ensure that the various need-based agencies in Wilmington and Clinton County that give food to the hungry have fresh, nutritious produce as often as possible. In 2009, GFGH donated more than 10,000 pounds of food to local organizations. GFGH plans to expand both the amount of food grown and the number of agencies to which it distributes the produce in 2010.

Plans for the future

Grow Food, Grow Hope’s most visible success has been its gardens, a physical example for local families who are struggling that shows how they can save money by growing their own food. In addition to their work at the gardens, the college farm and around the community, volunteers are also striving to lay a strong foundation for the organization so that it will have a strong presence in the Wilmington community in the future, long after their three-year term of service ends.

“To me, Grow Food, Grow Hope is a community-driven food movement meant to change the way people think about their dinner plate,” says John Cropper, GFGH public relations coordinator. “It’s a way for me to serve within my community on actionable, tangible goals, and to reach out to those in need of help.”

To learn more about the Grow Food, Grow Hope initiative, visit its website at: www.growfoodgrowhope.com; send e-mail to: growfoodgrowhope@wilmington.edu or call (937) 382-6661, ext. 693. ■



Volunteers tend the new pollinator garden in Syracuse, N.Y. USDA photo by Shelly Harlander

People's Gardens sprouting nationwide

More than 400 People's Gardens have been planted nationally, with at least one in every state, two U.S. territories and three foreign countries, according to Agriculture Secretary Tom Vilsack. In June, New York got its first People's Garden when USDA employees helped plant a garden at the Edward Smith School in Syracuse. The event was a collaborative effort between USDA, the school and Morningside Cultural Trail.

Jill Harvey, USDA Rural Development State Director for New York, and Astor Boozer, USDA Natural Resources Conservation Service (NRCS) state conservationist in New York, spoke about the importance of "greening our communities" and protecting pollinator plants. With pollinator populations decreasing, pollinator gardens are becoming increasingly important.

The garden is cultivated using sustainable practices and consists entirely of native pollinator plants. It was planted in recognition of USDA's National Pollinator Week and as part of Secretary Vilsack's "People's Garden Initiative," which encourages USDA employees to establish gardens at U.S. facilities worldwide and to help communities create their own public gardens.

USDA agencies in Nebraska — including staff from Rural Development, the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) — planted People's Gardens containing vegetables, native grasses and flowers at USDA Service Centers across the state.

"The People's Garden initiative is a great way to connect the general public with the mission of USDA," says NRCS Nebraska State Conservationist Steve Chick. "USDA employees in Nebraska have volunteered their time and talents to create these gardens that promote sustainable practices, provide food to families in need, demonstrate the conservation benefits of planting native plant species and help create a place of beauty within a community." ■

Urban revitalization, beautification are goals of Urban Roots co-op

Editor's note: Contributing Editor Anne Todd recently interviewed Patti Jablonski-Dopkin, general manager of Urban Roots Community Garden Center, about its operation and goals.

Question: What is Urban Roots?

Patti Jablonski-Dopkin: "Urban Roots Community Garden Center is a consumer cooperative business whose mission is to provide quality products for gardening in the city of Buffalo, N.Y., and be an active and enriching member of the community. We are committed to offering affordable, unusual, heirloom, organic and local plants and gardening supplies. We foster a working relationship with the greater neighborhood in order to encourage beautification and urban revitalization. We reach out to the community through free education workshops, employment and volunteering efforts. We are currently 656 member-owners strong."

Urban Roots just celebrated its third birthday in June. How has the co-op grown and changed since the group first had the idea of developing a Buffalo neighborhood cooperative garden center?

"Our beginnings were as a bunch of neighbors trying to beautify their community through plant swaps. Then we realized that it took a 20-plus-mile drive to the suburbs to obtain plant materials, and that the city of Buffalo needed a gardening resource. A dedicated group took almost three years surveying and planning the business. There was a strong desire to run the business as a cooperative and we modeled ourselves after the Lexington Cooperative Market in Buffalo [a natural foods co-op grocery store].

We thought we could sell shares at \$100 and get 100 people to start us out. Before we even opened our doors we had almost 150 people send us the money for memberships."

What steps has Urban Roots taken to increase marketing of its products?

"We originally bought a four-unit Victorian building



Urban Roots, in Buffalo, N.Y., initially sought 100 members willing to invest \$100 each, but had 150 members send in their money before the co-op even opened its doors. Photos courtesy Urban Roots

and an adjacent lot. We have since purchased two additional lots for our yard, dug a well for a water supply (we are currently working on getting an irrigation system in place) and erected a small greenhouse to house our plants during the unpredictable Buffalo spring. We also remodeled and rented two apartments in the upper units of the building and rented out the fourth unit to a local bakery, which uses only local grains and mills the grains itself.

“Urban Roots works very closely with other nonprofit organizations dedicated to revitalizing the West Side and Buffalo as a whole. Grassroot Gardens of Buffalo and PUSH (People United for Sustainable Housing) are just two of the organizations we work with.

“We are looking to install a driveway in the back of our yard for easier access to landscaping materials and to build new table units for our annuals and perennials. Our original tables were built from materials from Buffalo Reuse, an organization that takes items from buildings either being refurbished or torn down and sells the goods to the community at affordable prices.

“This is a year-around garden center. For the holidays, we carry living Christmas trees, poinsettias and unique gift items with gardening themes. After the holidays, we have free workshops on various gardening topics, from redesigning your garden to three-bucket composting, seed starting and many more. Along with our workshops, we host a Gardeners Give and Take, a roundtable forum for gardeners of all levels to discuss gardening questions, successes, failures and to work together to broaden all participants’ knowledge.”



Are you on the web?

“Yes, we have a great website at: www.urbanroots.org. It keeps people informed about what’s going on at Urban Roots. We also use Twitter, at <http://twitter.com/URBANROOTS>, to tweet our daily specials and new arrivals at the store. Additionally, we send our customers a monthly newsletter to highlight the unique products we carry and to announce upcoming workshops and events and the work we are doing within the community.”

What are some of the major strategic decisions that have led to this growth and success? What are you doing to ensure future profitability of Urban Roots?

“We buy the majority of our plants and supplies from local growers. We work closely with them on plant variety and quantities needed, so we are able to stay cost-competitive not only with other garden centers, but with the big box stores, too. Since our inception, we have made great efforts to locate and work with local growers. Our goal is to have 100 percent of our plant stock come from local growers.

“To ensure profitability we watch our costs very closely. From working with a variety of growers to ensure not only the best quality, but the best price and accounting for delivery costs, as well. Having a dedicated and hard-working staff helps to avoid unnecessary payroll costs. We have membership-owner drives at different times of the year, which has given us a dedicated customer base. The beauty of a cooperative is that people want to support their investment in the business and the community it serves.”

What are the biggest challenges facing Urban Roots?

“The biggest obstacle I see Urban Roots overcoming is making sure that people understand that we are not just a group of people selling pretty flowers. We are a professional staff of knowledgeable people whom the public can go to for accurate information on a wide variety of gardening topics. While we are in the business of selling plants we will never give false, inaccurate information or sell a plant just to sell a plant.

“Our other obstacle is trying to make capital improvements while staying financially responsible to our member-owners. While we would like to make many physical improvements, we feel in today’s retail market it is imperative to continue to be fiscally responsible to our business, our member-owners and to the community at large. Urban Roots wants to be in Buffalo for a very long time.” ■

Newsline

Co-op developments, coast to coast

Send co-op news items to: dan.campbell@wdc.USDA.gov

Three co-ops form fertilizer venture

Consolidated Sourcing Solutions is a new business partnership formed by three large farmer co-ops seeking new efficiencies in fertilizer sourcing. Members of the partnership are: Central Valley Ag Cooperative (CVA), in O'Neill, Neb.; South Dakota Wheat Growers (SDWG), Aberdeen, S.D.; and Farmers Cooperative Company (FC), Ames, Iowa. "The formation of Consolidated Sourcing Solutions (CSS) will enable us to better manage our fertilizer needs and maximize the efficiencies of our fertilizer assets," says Doug Derscheid, CVA president and CEO.

Douglas M. Stone has been hired as CSS president. Stone is a 20-year veteran of Terra Industries, where he most recently served as senior vice president of sales and marketing. He will report to a board comprised of one member from each of the three founding co-ops, plus at least one board member selected at large. This board will provide strategic direction and guidance to CSS. Gary Voichahoske, who spent 30 years working in the cooperative ag-retail business, is the new vice president of CSS.

"CSS will add immediate value to the sourcing of fertilizer for our respective companies. The combined fertilizer synergies of this partnership will be significant," says Dale Locken, CEO at SDWG.

"The immediate and long-term benefits of CSS will include: logistical support and risk management; better international market intelligence and the ability to build global-sourcing



Tennessee flood

Parts of western Tennessee were devastated by spring floods. This aerial view shows flooded farmland in the Dyersburg, Tenn., area where the Forked Deer River crested at more than 30 feet – nine feet above flood stage. The floods were blamed for killing 23 people; 52 counties were designated as disaster areas. Photo by Andrew McMurtrie, Tennessee State Photographic Services

relationships to better position us and our suppliers in the Midwest fertilizer market," adds Roger Koppen, president and CEO at FC. The CSS office will be in Sioux City, Iowa.

CountryMark acquires assets of Core Minerals

CountryMark, a farmer-owned cooperative based in Indianapolis, has purchased the assets of Core Minerals, Evansville, Ind. The purchase will add oil exploration, drilling and production to CountryMark's portfolio. "The

addition of these assets to the CountryMark business structure is strategically aligned with all of the basic business tenets that guide our organization," says CountryMark CEO and President Charlie Smith.

CountryMark says it purchased a predictable oil- and gas-production base, a robust inventory of diversified development projects and a substantial portfolio of high-quality conventional and unconventional exploration opportunities. CountryMark will hire 50 employees to manage its exploration,

drilling and production business, bringing CountryMark's total employment to 400.

Evergreen FS takes over Towanda Grain

The Illinois Department of Agriculture announced in May that Towanda Grain's facilities in McLean County will reopen under ownership by Evergreen FS. "The [Illinois] Department of Agriculture worked very hard the past two weeks to help find a buyer for this facility," state Ag Director Tom Jennings said. "We're pleased an agreement has been reached that not only preserves a local market for grain produced in McLean County, but also protects the financial interests of farmers who had done business with the cooperative."

The elevator closed May 10, when examiners discovered financial irregularities.

The acquisition of Towanda Grain will add nearly 3 million bushels to Evergreen FS, which will now have storage capacity of 10.6 million bushels.

Johnson to retire from CHS

John Johnson has announced that he will retire from his position as president and chief executive officer of CHS Inc., effective Dec. 31. Johnson has led the nation's largest cooperative since June 2000. He was president and CEO of Harvest States Cooperatives from 1995 until the June 1998, when it merged with Cenex Inc., to form CHS.

"Under John's leadership, CHS has become a leader in adding value for farmers, ranchers, rural communities and consumers around the world," said Michael Toelle, board chairman of CHS and a Browns Valley, Minn., farmer. "During his tenure, CHS has grown as a global grain marketer, strengthened producer connections to international and domestic grain markets and crop inputs, expanded value-added grain processing and extended its U.S. energy supply presence."

The CHS board has named a succession committee which will



John Johnson

conduct an extensive search for the co-op's next president and CEO among both internal and external candidates. The goal is to name a replacement prior to the cooperative's annual meeting on Dec. 2, 2010, Toelle said.

Johnson began his career with Harvest States in 1976 as a feed consultant in the GTA Feeds Division. He later became regional sales manager, director of sales and marketing and general manager of GTA Feeds. He was named group vice president of Harvest States Farm Marketing & Supply in 1992, becoming Harvest States president and CEO in 1995. He currently serves on the boards of Ventura Foods LLC, CF Industries, the National Council of Farmer Cooperatives and the Greater Twin Cities United Way.

Heartland Co-op to buy four Iowa elevators

Heartland Co-op has announced that it is buying the assets of Newton Feed Center Elevator, Monroe Feed Center, Prairie City Feed Center Elevator and Runnells Grain Elevator, according to the *Des Moines Register*. The elevators have been owned by Keith Roorda. Terms of the deal were not disclosed.

"We look forward to continuing the excellent service provided by the team currently operating these facilities, and we intend to utilize this team to operate these facilities for us," said Larry

Petersen, Heartland Co-op's chief executive, the *Register* reported. Heartland manages 48 cooperative elevators in its system, concentrated primarily in central Iowa.

NCFC files Capper-Volstead-related court brief

The National Council of Farmer Cooperatives (NCFC) has filed a brief with the Third Circuit Court of Appeals focusing on the correct interpretation of the Capper-Volstead Act's protections for farmer cooperatives. The action comes in an antitrust case involving the Eastern Mushroom Marketing Cooperative, the nation's largest mushroom co-op.

"Even though this case involves a single co-op marketing a single commodity, the court's ultimate ruling could have far-reaching implications for thousands of farmer co-ops and their owner-members across the country," said Chuck Conner, president & CEO of NCFC. "Protecting the Capper-Volstead Act — and the ability of farmers to form cooperatives — is at the heart of NCFC's mission. We hope this brief will guide the court's interpretation of the Act."

In its brief, NCFC argues that integrated farmers may be members of a cooperative under the Capper-Volstead Act; that individual farmer members should not automatically be liable for the acts of a cooperative and that an administrative mistake as to entity listed as the member of a cooperative does not cause the loss of antitrust immunity for a qualified farmer or cooperative.

NCFC previously filed a similar brief with the U.S. District Court for the Eastern District of Pennsylvania in connection with this matter. NCFC says it takes no position on the underlying facts of this case, but instead is seeking to address the legal issues regarding interpretation of the Capper-Volstead Act that have significant implications for agricultural cooperatives.

In other news, the organization issued a press release in June thanking

Secretary of Agriculture Tom Vilsack for expressing his strong support for farmer cooperatives in a speech at NCFCA's 2010 Washington Conference. "As Secretary Vilsack recognized in his speech, farmer cooperatives play an integral role in the operations of producers across the country and serve as engines of economic growth in rural America," Conner said.

GROWMARK CEO Davisson to retire

Bill Davisson, CEO of the regional agricultural cooperative GROWMARK Inc., has announced he will retire this January. The co-op has formed a selection committee to implement an orderly selection and transition process, which is expected to be accomplished prior to Nov. 30, says Board Chairman and President Dan Kelley.



Bill Davisson

In a memo to employees, Kelley said: "I want to express sincere appreciation for the leadership Bill Davisson has provided to the GROWMARK System throughout his 40-year career, most specifically his tenure as CEO from 1998-present. During this period, Bill has focused on long-term strategic planning, achievement of profitable growth and the development of future leaders. He has also contributed greatly to the betterment of cooperatives and the industry of agriculture through

various leadership roles."

Kelley said he looks forward to working with Davisson through the end of the year and beginning the process of management leadership transition.

GROWMARK is a regional agricultural supply and grain marketing cooperative based in Bloomington, Ill. It serves 100,000 farm customers through its FS and grain member cooperatives and retail operations.

David Cramer saluted

David Cramer, president and chief executive officer of United Cooperative in Beaver Dam, Wis., was honored for 25 years of service at the co-op's annual meeting in April. "My dad (Donald Bohl) was chairman of the United Cooperative board of directors when David was hired," said Board Chairman Howard Bohl. "To this day, he says hiring David was the best decision he ever made."

During Cramer's tenure at United Cooperative, it has expanded from \$7.6 million in annual sales (in 1984) to more than \$250 million in sales at present.

Co-op events during his tenure include:

- **In the 1980s:** Acquired Iron Ridge Co-op; Built a feed mill and agronomy facility in Beaver Dam; Purchased South Beaver Dam for grain and agronomy; Built Ponderosa restaurant in Beaver Dam.
- **In the 1990s:** Acquired Don's



David Cramer provides some insight into a new construction project for a member attending United Cooperative's annual meeting.

Elevator in Allenton and Hartford Elevator; Built Ponderosa restaurant and new feed mill in Hartford; Purchased Horicon grain location; Acquired Cenex Propane in Mayville; Merged with River Valley/Deerfield co-ops; Corporate name changed to United Cooperative.

- **In the 2000s:** Acquired Pahl's Propane in Horicon; Purchased Johnson Creek Grain; Added agronomy locations from Agriliance; Acquired Randolph feed mills; Built dry fertilizer storage at South Beaver Dam; Merged with Pickett Cooperative; Built agronomy plants in Pickett and Deerfield; Built liquid fertilizer storage at South Beaver Dam; United Ethanol began operating; Purchased Ripon Grain; Merged with Co-op Country Partners; Expanded dryer and grain storage at multiple locations; Expanded agronomy in Reedsburg; Acquired ownership in Carbon Green BioEnergy in Woodbury, Mich., and Big River United Energy, Dyersville, Iowa; Added liquid fertilizer storage at South Beaver Dam.

MoArk reaches settlement in egg lawsuit

MoArk LLC has submitted to the United States District Court for the Eastern District of Pennsylvania a \$25 million settlement proposal to a lawsuit brought in 2008 on behalf of direct purchasers of eggs and egg products against several egg producers and egg industry associations. The judge in that case recently granted preliminary approval of the settlement. MoArk, the layer division of Land O'Lakes Inc., says it will continue to vigorously defend a related action brought on behalf of indirect purchasers of the same products.

The company says settling the case removes the continuing cost and distraction of defending against this action, enabling MoArk to focus its time and resources on providing economical and high-quality eggs to customers and consumers.



Production is up by 20 percent at Swiss Valley's plant at Luana, Iowa, where major expansion work has been completed. Photo courtesy Swiss Valley Farms

Swiss Valley upgrades one plant, sells another

Swiss Valley Farms Cooperative, Davenport, Iowa, is upgrading and expanding its plant in Luana, Iowa. It has completed construction of a new silo alcove and installed new milk-processing equipment. The next phase of the project will include the expansion of the plant's "footprint" and the development of new manufacturing processes. New employees have been hired at the plant, where production is up 20 percent.

Meanwhile, the co-op has sold its Dalbo, Minn., plant to DairiConcepts of Springfield, Mo. The plant packages hard Italian cheeses; it does not process co-op member milk.

In May, Swiss Valley announced it has become an official supplier of DOT Foods, the nation's largest food re-distributor. By teaming up with DOT, Swiss Valley hopes to expand its customer base and reach more markets through the DOT distribution chain. "This opens a whole new channel of distribution for us," said Bob Livingston, general sales manager for Swiss Valley. "In the past, freight costs and inventory levels were burdens to servicing smaller customers, but DOT now gives us that capability."

Michigan cheese makers unite

With the help of a USDA grant, 11

Michigan cheese makers have formed the Michigan Cheese Makers Cooperative to help market their artisan cheeses in Michigan. Anne Hoyt, owner of Leelanau Cheese Co., one of the founding members, says: "It's hard to do things yourself; there's more power as a team. You want to know how you can help each other. We can share new ideas, new cheeses and recipes. We've never had anyone to share these with before. It's very exciting."

With nationally recognized, award-winning artisan and farmstead cheese makers, the cooperative says it is poised to follow in the footsteps of Michigan's wine industry by stressing quality, sustainability and care of our natural resources.

Broadband projects to create jobs, opportunity

President Barack Obama, Agriculture Secretary Tom Vilsack and Commerce Secretary Gary Locke on July 2 announced investment in 66 new broadband projects, including 37 in rural America. According to the grantees, these projects will directly create more than 5,000 jobs and help spur economic development in areas hard hit by the economic recession. Funding is being provided under the American Recovery and Reinvestment Act (Recovery Act).

Tens of millions of Americans and

more than 685,000 businesses, 900 healthcare facilities and 2,400 schools in all 50 states stand to benefit from the broadband awards. The \$780 million in grants and loans through USDA and the Department of Commerce have been matched by more than \$200 million in outside investment, for a total public-private investment of nearly \$1 billion.

Most of the communities currently have little, or no, access to broadband — considered key to future rural competitiveness. "These broadband projects will give rural communities access to the tools they need to create jobs, stimulate local economies and build a foundation for future prosperity," said Vilsack.

Kansas co-ops offer help after elevator collapse

Two co-op workers were killed June 24 when a portion of the AGCO grain elevator in Russell, Kan., collapsed. Other co-ops were quick to offer assistance in the wake of the tragedy.

Dave Studebaker, chairman of the Kansas Cooperative Council, put out an immediate call for help to all co-ops in the state, which responded with offers of assistance through the Russell Elevator Support Fund, set up by the Kansas Grain & Feed Association. ■

CCA honors

continued from page 27

1993, moved fulltime to the newly created communications department in 1994 and was given the task of creating the co-op's first communications program.

Brooks served six years on the CCA board, including a term as its president. He's noted for always researching the new-est communications trends and taking advantage of technology to incorporate what works into his communications program. He has mentored others in his company, his industry and in CCA.

Dumont earns Graznak Award

Amber Dumont, director of corporate communications at Maryland & Virginia Milk Producers, wears a number of occupational hats, and excels at them all. Dumont took the communications reins at the milk-marketing co-op in 2004, where she is responsible for managing its public relations efforts, including internal

communications for employees and external communications for dairy farmer members. She also oversees special event planning, crisis management, employee communications, legislative activity and social media.

More important than what she does is how she does it, says Allen O'Hara, Maryland & Virginia's director of administration and government relations. "Amber is extremely effective in communicating the right message to members in a manner they will understand," he says. "She is always on a quest to do her job better than it was done before, with an objective of being 'added value' to all who are exposed or who participate," adds Barbara Riegler, the co-op's director of human resources. "She is the 'voice' behind our executives who are very dependent upon her counsel and advice."

Dumont was just elected to her second term on the CCA board. She also chaired the 2007 Institute held in Williamsburg, Va., and helped plan the 2008 Institute in Maine.

Top contest winners

In the CCA communications contest, the top award winners in each of the four main contest areas were:

- Writer of the Year: Chris Villines, Tennessee Farmers Cooperative, for a portfolio of his articles;
- Projects & Programs, Best of Class: Jeff Schweitzer, American Crystal Sugar Company, for new line of co-op apparel (see page 24).
- Publication of the Year: Allison Morgan, Tennessee Farmers Cooperative, for the "Cooperative America" report (see page 21).
- Photographer of the Year: David Lundquist, CHS Inc., for a portfolio of his work.

The publications staff of USDA Rural Development won three awards for editorial excellence. Contributing Editor Anne Todd won second place in technical writing for her article about a wind-power project in Alaska; Editor Dan Campbell won the second place award in news writing for an article on the annual meeting of the National Farmers Union, and a third place award for cooperative education. ■

An American Farmer in Afghanistan

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As you might imagine, when we roll into a village, it is like the circus coming to town. Missions are carefully planned and usually have specific goals and routes.

Despite all this, I have been able to talk to Afghan farmers, eat Afghan food as a guest, drink 'chai' (tea), and walk through fields to sift the soil (silt loam) through my fingers and walk around rocks, more rocks and still more rocks.

This country will not be able to support large ruminant agriculture soon. It is still struggling to feed itself. Most buffalo and cattle sold here come from Pakistan.

We came across eight cows that the farmer said were each giving a liter of milk per day. My estimate — based on

body condition, size and feed quality — would be one liter per day total from all eight.

USAID projects include everything from building roads to ag education to women's home industry, such as carpet weaving.

It is easy to question what our country is doing here. I have come to believe we must at least try to help. Success or failure will determine the kind of world our heirs live in.

When an Afghan doctor asked me why I came here, I explained one reason was the hope that someday our children and their children will live in peace. He said he would pray to Allah for my success. ■

Legal Corner

continued from page 35

there can be significant impacts on an organization and the rural communities they serve. Lack of succession planning can lead to:

- Loss of expertise and business knowledge;
- Shifts in economies of scale;
- Loss of jobs in communities;
- Loss of business continuity;
- Damaged client relationships;
- Time and effort to recruit and train replacement employees.

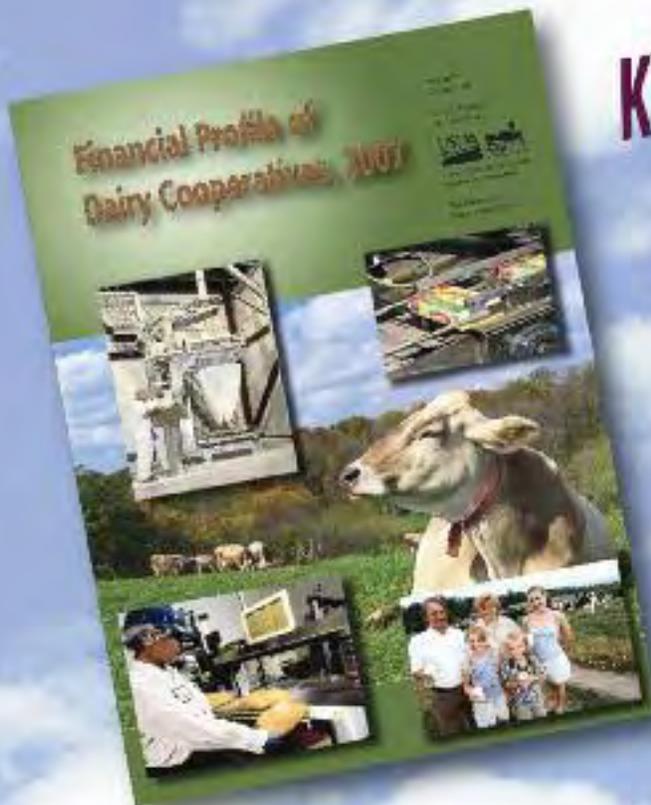
The economic and social infrastructures of rural communities are built upon the financial growth and sustainability of family-owned businesses. If they vanish, so goes rural America. Succession planning is more than just an option — it is an imperative! ■

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If you're a manager or board member of a dairy co-op, you need to know how your cooperative's performance compares with others.

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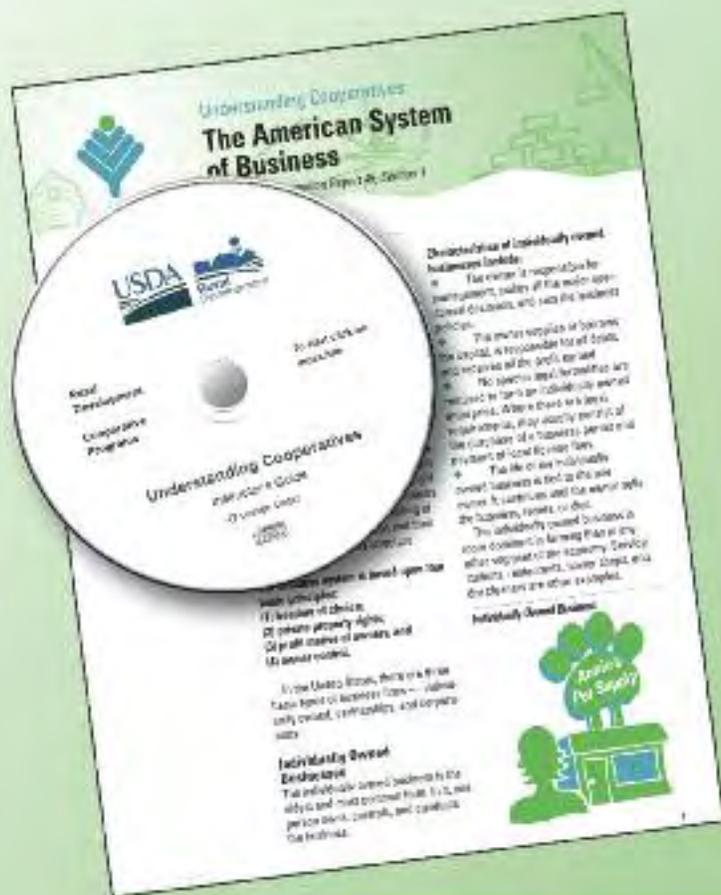
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