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FARMER COOPERATIVES  
FOR  
THE FUTURE

A WORKSHOP  
NOVEMBER 4-6, 1985  
ST. LOUIS, MISSOURI

Sponsored by  
North Central Regional Research Committee  
NCR-140 Research on Cooperatives  
and  
Extension Committee on Organizational and Policy

Planning Committee

James D. Shaffer, Chairman	Michigan State University
Roger G. Ginder	Iowa State University
David L. Holder	Extension Service, USDA
Randall E. Torgerson	Agricultural Cooperative Service, USDA

Workshop Arrangements

by

St. Louis Bank for Cooperatives

and

Department of Agricultural Economics, University of Missouri

Proceedings Published by

Department of Agricultural Economics

Purdue University

West Lafayette, Indiana 47907

with support from

Agricultural Cooperative Service, USDA

## REGIONAL COOPERATIVE EDUCATIONAL EFFORTS

*William A. Thomas  
University of Georgia*

"The development of sound, effective and modern cooperative education programs cannot be left to chance. To avoid fragmentation and duplication, a national program of cooperative education is needed to establish program priorities and to give direction to program activities. It is only through a program or "systems" approach that the total educational resources can be made available and effectively used by cooperatives."

The recognition of this need is not new. In fact this is a quote from AIC President Vernon Schneider in the American Cooperation 1970 Yearbook. As cooperatives have grown from the small cooperatives serving one community to the Dairymen Inc. and Land-of-Lakes or the Gold Kist and Agways of today, so has grown the need to educate. Because the size and complexity of such tasks has increased so also has the need to coordinate those educational efforts.

Regional cooperative educational efforts is the subject of this paper. Frankly most of the educational efforts are discussed in the presentations before and after this one. I will discuss some of the regional efforts that have been made over the last 15 years and those that are still going on. A second part will discuss some of the reasons that there are not more regional programs and the last section will discuss the challenge of the future.

### **Regional Successes and Failures**

There are approximately 40 state councils of cooperatives. These state councils have long supported and carried out education programs on their own and with other organization such as the Cooperative Extension Service and District Farm Credit Banks. This excellent working relationship led to the forming of several multistate organizations.

The "grandfather" of these organizations is the Tri-State Committee for Cooperative

Research and Education which was formed in 1958 with representatives from Alabama, Louisiana, and Mississippi. This committee and its successors all follow the same basic pattern or organization — each state has representatives from the state land-grant university (both teaching and extension), a representative of the state council and representatives from the district farm credit bank. In addition, a representative from the Agricultural Cooperative Service, Federal Extension, American Institute of Cooperation, and the National Council of Farmer Cooperatives attend the meetings.

These committees have several objectives:

1. To foster research in, teaching of, and Extension activities in cooperative activities.
2. To exchange ideas and strengthen programs of mutual interest among cooperative organizations and the land-grant universities.
3. To survey cooperative organizations now operating and consider needs for broadening services and for establishing new cooperatives to render additional needed services.

Since its inception, the Tri-State Committee has published a number of publications but its most important contribution was the development of the Tri-State Management Development Program. The program is designed to provide six days of concentrated study for cooperative managers on three different levels. A broad range of management topics are covered using innovative techniques including case studies and a computer management game written specifically for this program.

This program was offered annually for a number of years but it has not been offered

for the past two years primarily due to the budget crunch felt both by the cooperatives and the universities. The Tri-State Committee is planning on offering a director certification workshop this month in Louisiana.

It was not until 1969 that cooperative leaders from Florida, Georgia, and North and South Carolina joined together to form the second regional committee named the Four-State Committee for Cooperative Research and Education. The Columbia Farm Credit Bank was a prime mover in the organization.

The Four-State Committee has a number of educational efforts to its credit including publications, surveys and educational meetings. The committee will host the 29th Eastern Member Relations Conference in Florida during 1986. This is the last of four annual regional conferences that were begun in 1958 by AIC, ACS, and USDA. All but the Eastern conference were discontinued during the late 60's or early 70's.

The EMRC is hosted by the district bank with a state council responsible for the local arrangements and the Four-State or other committee in charge of the program. The objective of the meeting is the exchange of ideas and techniques promoting cooperative member and public relations, education, and informational activities. For example the focus of the next EMRC is Building Cooperative Relations During Adversity.

The Five-State Committee covering Delaware, Maryland, Pennsylvania, Virginia, and West Virginia was organized in the mid 1970's and was initially very active in sponsoring a regional Key Directors Workshop. The first workshop was very successful. The objective of this workshop was to provide more in depth training to key leaders who served on cooperative boards that was not being provided through existing training programs.

After four annual programs the program was discontinued for several reasons. The relative small base of board members in most of the states, the fact that many cooperatives initiated or expanded their own director training programs, and tight budgets helped to lead to the downfall of the program.

The Five-State Committee was also involved with a unique program with Southern States Cooperative. Southern States arranged for a management audit to be conducted by universities in each of the five member states. Based on the results of the audits, Management Farm Supply Workshops were conducted. The objective of the workshops were to "teach managers to manage." By pooling the resources from the five states, extension, and Southern States a much broader range of capabilities were available than could have been obtained internally or from any one university.

Wisconsin is one state that has a sufficiently large base of cooperatives within the state and they are able to conduct any program they need without outside cooperation. There is however one program with which they do cooperate with Illinois and Iowa. The Tri-state Cooperative Educational Institute is a two day youth conference that has been conducted annually for the last 15 years.

A number of other states have worked together on youth programs. The Pennsylvania Association of Farmer Cooperatives' Youth Institute is also supported with scholarships from the councils in Delaware, New York, and New Jersey. South Carolina sent youth to the North Carolina program for a number of years.

The Midwest has always had strong state programs but there are also regional efforts. The Iowa-Nebraska Committee for Certified Board Members is a prime example. This four day program is offered three times each year and over the years in excess of 1400 directors have been certified. One key to this program is the large number of federated cooperatives that are encouraged to attend the training sessions by their regionals. Many of the regionals are conducting their own programs but also view this program as a viable alternative to their programs.

There are two "new kids" among regional groups. The Northeast Committee covering Maine, New York, and Vermont has been formed. This group, along with Agway, is putting together a program on "employee

basics" that will be offered by the states in the committee. The other new group, which is sponsoring this meeting is the NCR 140, Research on Cooperatives and Extension Committee on Organization and Policy. This group is different from most other meetings is that its membership is made up of representatives from the agricultural economics departments in the region, from ACS and from the Economic Research Service. There is an industry advisory committee that works with them. Their objective is to conduct "research on cooperatives" relating to structural, financial, and policy issues.

I have saved the best example of regional cooperation until the last. The Executive Institute for Northwest Cooperatives, covering Idaho, Montana, Oregon and Washington is the only incorporated committee. This organization began in 1978 and evolved from an annual program produced for managers and directors of Northwest cooperatives. This program was conducted for many years on a joint basis by the Extension Services of the four states, the state councils, and the Spokane Bank for Cooperatives. As the program grew it became necessary to incorporate for more efficient planning and funding.

The oldest of the Institute's programs is a three day Cooperative Leadership Seminar that is conducted annually for directors and managers. The Institute also conducts an Agribusiness Leadership Conference, a week long training session for Extension agents and vocational agriculture teachers. The program is sponsored by scholarships and donation from local cooperatives. Two new programs being offered are Warehouse Management and Management Training Programs for the grain industry.

### **The Keys To Success**

I was quite frustrated when I began to write this paper because there was not sufficient activity in the Four-State area to use as an example. Why is there activity in some areas and no multistate activities in others? In discussions with my extension counterparts and cooperative leaders across the nation there emerged several necessary

ingredients to ensure the success of regional programs.

The state councils are the basis for most of the programs. They are the common ground where the specialist from the universities and the cooperative leaders can get together. For their cooperative clientele this is the perfect way for the university to find their needs. On other side, this is the way to pass concerns and irritations back to the university about the university's shortcomings. It does not seem to be important whether the council as a full time staff or not, but only that there is a time and place to get together to discuss the really important cooperative education issues.

The second basic need is for the university to have a person with major cooperative responsibility. This person should have at least some extension responsibility and a major portion of their time allocated to cooperatives. I guess that I am a typical example today. I am 100 percent extension and I have responsibilities for cooperatives, dairy, poultry, ornamental horticulture, and rabbits. I do not have the time to devote to cooperatives that they deserve — but I try. With the limited resources available, it is important that this person allocate their time carefully and not waste it on unwanted programs. Determining needs directly from cooperatives will help prevent a waste of time.

The third ingredient is that a cooperative be willing to act as the coordinator or facilitator. In most situations this has been the district farm credit bank. A recent example of this was a meeting called by the Louisville Bank to develop a regional educational program. Unfortunately not all of these efforts work and in this case the only agreement that was reached was for the bank to be a clearing house of resource people and programs. At last report only one institution had submitted such information.

Generally the banks have served this role well but others do also. Southern States and Agway are examples cited previously. In the Four-State area the Columbia Bank and Gold Kist both do an excellent job as facilitators. A question that must be asked is who

will perform this function in the future? The banks, as well as many other cooperatives have cut back on funds and people devoted to education. Will this continue or will there always be some organization willing to help? I hope so.

A number of good programs have fallen by the roadside over the past few years. The usual reason given for their demise is a lack of funds, and it is true the training funds are the first to go. But in most cases there is more to it than that. The tight economy is a reason but because of the tight economy cooperatives tend to become more competitive and they want to know what the "other guy" is doing but they do not want him to know what they are doing. There is also jealousy among cooperatives — sometimes they are just not very cooperative. Many times the base of cooperative people is not large enough and eventually the faithful few get tired of coming to meetings. The Key Directors Workshop of the Five-State Committee is a case in point. The first program was so successful that they began offering it more often than planned and soon attendance dwindled to almost nothing. The bottom line here is not to be over enthusiastic.

I have not yet mentioned the National Cooperative Development Training Center. This was a project funded by the ACS to train the managers and directors of emerging cooperatives. It was funded for three years and then was discontinued. What went wrong? First of all a center director was never named so there was no one to promote the project. Julian Raburn was a part time assistant director and did an excellent job with the programs on campus but he was not able to do the job of two men — strike one. Second, since it was directed at emerging cooperatives it was not supported by any of the major cooperatives — strike two. There were several other factors that contributed to its failure. There were too many programs held in relation to the target audience (that was not already being reached). ACS was the only organization supporting the program. There were budget cuts in Washington and this was one of the first programs to go. The university was not willing to make a major commitment for a long term program

without outside support. Strike three and you are out! That seems to be a very common pattern for many programs.

### **The Future Of Regional Education**

What is the future of regional educational programs? There is no doubt that there are a number of programs that have served a very important role in cooperative education and they will continue to do so, but what about new programs? Are they needed and who will conduct them?

A survey was conducted by AIC. A cross section of the industry replied that the following agencies should have responsibility for cooperative education (in order): land grant universities, extension agencies, regional cooperatives, state councils and associations, national organizations, local cooperatives, FCB's, and others. Note that regional groups were not even listed. In an ACS survey 30 of 31 state councils indicated that the regional organizations were desirable. They should be an informal organization to coordinate communications, cooperative relations, education, research, and publications.

Regional committees are ideal for organizing and conducting education and training programs and jointly developing and publishing materials for states with common interest. These committees can also help states with no councils. They allow university and extension personnel to assist cooperatives in several states, increasing their value.

Good regional programs do not just happen. They require a team effort and each member must play a part. According to Bill Black from Texas, cooperatives can:

1. Develop long-range plans that include education.
2. Combine together into federations to pool educational efforts.
3. Share information and benefits with others.
4. Encourage universities to allocate resources to cooperatives and support them when they do.

Universities can:

1. Allocate resources to cooperatives.
2. Assist in preparing relevant educational materials.
3. Assist in training employees and members.
4. Do research to strengthen cooperative operations.

Government can:

1. Be supportive of cooperatives and their organizations.
2. Conduct large scale studies of major intercooperative problems.
3. Conduct research on matters involving policy matters involving policy issues affecting cooperatives.

State councils can:

1. Belong to regional groups.
2. Invite other states to participate in council programs.
3. Take some responsibility for programs out of the state.
4. Be a common meeting ground.

The need for education and training including regional education will continue. We must remember that one of the basic principles of cooperatives is that of educating the membership. Cooperatives are people — members, employees and management, and people have a tendency to forget, to change their opinions and priorities. People also change — boards of directors change, employees change, members move in and out of a

membership field. Education will be a continuing need.

With so many people within cooperatives a generation or two removed from the founders, many members may not value or understand the benefits that are their's through the cooperatives. Therefore, cooperative education is a never-ending job; it is our responsibility.

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