The 35th Future Cooperative Leaders Conference was held in Batavia, NY, July 17-19. The event was cosponsored by the Northeast Cooperative Council and the Cornell University Cooperative Enterprise Program and was cohosted by Upstate Niagara Cooperative, Inc. and Farm Credit East, ACA. Attendees met with key leaders of cooperatives doing business in New York, New England, and Pennsylvania. NECC President Craig Pollock encouraged attendees to gain a better understanding of the cooperative business model, meet some new folks, and ‘steal’ some ideas to take home. He shared his list of internal and external issues and opportunities facing cooperatives. Some of those issues included changing farm and consumer demographics and needs, industrialization of the farm and food sector, the global economy, structural changes in food processing, building equity in the cooperative business, and the growing emphasis on value-added activities.

Cooperative Finance and Capper Volstead Act
The afternoon continued with Michael Oleksak, CoBank, ACB explaining cooperative financial statements and the ratios desired by CoBank when assessing the creditworthiness of a cooperative loan application. Charles Sullivan, Attorney, Bond, Schoeneck & King, Syracuse, NY provided a history of the Capper Volstead Act allowing farmers to act together in associations to collectively process, prepare for market, handle and market products produced from their farms. He mentioned the protections provided through Capper Volstead in allowing collective processing and marketing. He went on to discuss the Antitrust Modernization Commission charged to “examine whether the need exists to modernize the antitrust laws and to identify and study related issues.” On numerous occasions the Commissioners and panelist suggested that Capper-Volstead was no longer necessary or relevant and suggested that the Act was responsible for driving up food prices in the United States. Sullivan then shared examples of recent and pending litigation against cooperatives that challenge the antitrust immunity.

Brand Equity
Marketing experts from Dairy Farmers of America, Upstate Niagara Cooperative, Inc., Welch’s, and Farm Credit East, ACA keyed in on Brand Equity. Ted Sowle, Dairy Farmers of America defined Brand Equity. Brand Equity is a combination of brand awareness (recognition by potential customers), brand personality (consumer’s emotional response), and brand loyalty (what the consumer feels and expresses with their purchase). Consumer loyalty is what drives brand equity. He discussed how DFA tracks volume trends, consumption patterns and loyalty rates of their brands using consumer panels.
Karen Murphy shared how Farm Credit East Brands Cooperative Value to Farmer Members. She mentioned the organization’s promise to serve their members every day. A brand is a promise and long term commitment to meet the needs of evolving agriculture. “As a cooperative, it’s what you do, how you do it and where you do it.”

Rob Smith, National Grape Cooperative showcased the evolution of the Welch’s brand. He shared some of the tag lines of Welch’s – Real. Grape. Goodness. “Grape a fruit, not a flavor.” The presentation showed how Welch’s had adapted their product to reflect changing societal norms. He concluded with a dynamic piece that shares the company beliefs, which strengthens the culture of the company.

Ken Voelker, spoke to Upstate Niagara’s fully integrated milk marketing system, through their Return to Values, Welcome Back to the Farm campaign. The campaign connects Upstate Niagara members to their customers through specialty made labels on products, new fleet graphics, Internet, print and radio ads. Farmers are vested in the brand because they can find it in their local grocery store, in their daily lives and in the communities in which they live.

Farm Estate Planning and Business Succession
Successful estate planning from one generation to the next is critical to the future of cooperative businesses. Ed Neal, Poverty Hill Farm, Rob Noble, Noblehurst Farms, Bob Brown, Brown’s Berry Patch, Steven Walker, Attorney with Scolaro, Fetter, Grizanti, McGough, & King, P.C. stressed the importance of getting along, respecting one another, and organizational structures that they had created to minimize risk, provide income to a Senior generation family member, transfer ownership, and acknowledge off-farm heirs.

Leadership and Governance
Farm Credit East, ACA Directors Laurie Griffen and Richard Janiga, and retired director Hal Adams spoke about serving in a leadership capacity in a cooperative business. People get involved in leadership because they have a stake in the business as a member-owner. It is a growth opportunity to learn from other producers, a new challenge to overcome, provides an opportunity to give back, and because there is an issue critically important to you. It is appropriate to become involved as a delegate and to serve on committees to learn more about the cooperative and to become known, build credibility, and instill trust. Being elected by ones’ peers is an honor as they respect and recognize your good judgment and

On tour, learning about best management practices in calf rearing at Poverty Hill Farm, Albion, NY.
trust you, as a director, to deal with governance and fiduciary issues facing the cooperative and to balance decisions made in the best interests of the cooperative business and its owners.

Roy Orton, former CoBank, ACB Chairman and Past Chairman of National Grape Cooperative and Bob Hall, CEO, O-AT-KA Milk Products, Inc. presented their perspective on the leading a cooperative as the chairman or chief executive officer. Respect of one another is key to this relationship. There has to be mutual agreement to talk frankly. The board sets measurable goals to be accomplished by the CEO. The CEO needs to have a competitive compensation package. Unlike the board chairman who is elected, the CEO is hired by the board of directors to fulfill the duties in a position description created by the board. The CEO works for the board and is guided by the board. Boards have a tendency to be more passive in nature while management is more forward thinking, seeking solutions. The relationship between the board and the manager should be dynamic in nature with both seeking out new opportunities and excellence. Ethics and integrity are important in leading a cooperative business. Honesty in business benefits customers and customer service, which is key to the sustainability of the business.

Upstate Niagara President Dan Wolf closed out the event. He said, “A cooperative serves to face the challenges that we can’t solve by ourselves. We have to work together.” He stressed the importance to go home, get involved, move forward in leadership positions, and get on a first name basis with board members and senior management. And when you go home, ask, “What can I do to help?” The business at home has to be going well, or you will not be an effective director.