

Events

NCFC Washington Conference – June 6 - 8
Renaissance Washington, DC Hotel for more information contact Justin Darisse with NCFC at 202/626-8700 or visit www.ncfc.org

NECC Cooperative Leadership Conference – July 19
21 Radisson Hotel, Plymouth, MA hosted by Ocean Spray Cranberries, Inc. For more information contact Brian Henehan at 607/255 8800, e mail at bmh5@cornell.edu or www.cooperatives.aem.cornell.edu

NECC Board of Directors Meeting – July 20-21
Radisson Hotel, Plymouth, MA- Thursday farm and plant tour and a breakfast board meeting on Friday at 7:00 a.m.

Association of Cooperative Educators –
Annual ACE Institute at the Sheraton Old San Juan, San Juan, Puerto Rico August 2-5. For more information visit <http://www.wisc.edu/uwcc/ace/>.

National Society of Accountants of Cooperatives
– Annual Meeting and Technical Sessions August 7 - 9 in Nashville, TN. For more information contact NSAC at 937/222 6707 or visit website www.nsacoop.org

Annual Farmer Cooperatives Conference – November 1-2 Sheraton Bloomington Hotel, Minn. MN for more information visit <http://www.wisc.edu/uwcc> or call 608/262-3981.

He reviewed the background and issues related to Gorwmark expanding it's membership into Canada.

“Advancing Our Commitment to Rural America” was the theme of the CoBANK session which included a board report as well as a report on 2005 operating results from **Bob Engel**, Chief Operating Officer. **Roy Orton**, Chair of the CoBANK board presented a report from the board followed by customer questions and answers.

CoBANK sponsored several afternoon speakers including **Dr. Lawrence Chimerine** who presented an **“Economic Outlook”** and **Andrew Zolli** provided a futurist view of **“Forces Shaping the Coming Decades”**. The afternoon program was followed by a reception sponsored by CoBANK directors and the annual NECC banquet. The after-dinner speaker sponsored by CoBANK was **Nido Qubein** who delivered a motivational talk titled, **“From Success to Significance”**. The Council honored Doug Sims, retiring CEO of CoBANK with the presentation of a plaque commemorating his contributions to cooperatives in the Northeast and beyond.

The Leaders Forum continued the next morning with a presentation by **Tom Corcoran** on **“Developing Global Marketing Strategies”**. Corcoran currently serves as Chairman of the Glanbia USA advisory board Glanbia plc, is an international dairy, consumer foods and nutritional products company headquartered in Kilkenny Ireland, with

total revenues of 1.83 billion euros in 2004. Glanbia, which is a publicly- traded company , is the outgrowth of a merger of two Irish dairy cooperatives – Avonmore and Waterford. Corcoran also operates a family dairy farm with two sons in Waterford County, Ireland.

He reviewed the evolution of Glanbia's vision to become a relevant international marketer of consumer foods and nutritional products and its entry to the U.S. market.

David Hayes & Charles Sullivan, attorneys with Bond, Schoeneck & King, LLP addressed the subject of **“Reviewing Anti-Trust Law: An Update on the Capper-Volstead Exemption”**. Hayes is a lawyer whose practice includes agricultural cooperatives and antitrust. He is Of Counsel to Bond, Schoeneck & King, PLLC, and practices in the firm's Syracuse, New York office. He is also an Adjunct Professor of Law at the Syracuse University College of Law where he teaches the Antitrust course. Sullivan is a lawyer who advises cooperatives, agricultural suppliers, agricultural lenders, food processors, other agribusinesses and farmers about a variety of matters, including antitrust law. He is a Member of Bond, Schoeneck & King, PLLC, and practices in the firm's Syracuse, New York office. Both Hayes and Sullivan are Associate Members of the Northeast Cooperative Council, and members of the Legal, Tax & Accounting Committee of the National Council of Farmer Cooperatives, Washington, DC.

President's Column

Sandy Stauffer



With this issue of Cooperative Notes I would like to introduce myself as the new president of NECC. First, many thanks to Roger Murray for his very capable leadership over the last two years. Under his leadership we have just completed a very successful annual meeting in conjunction with Co-bank with very high quality speakers, record attendance, and excellent participation by all attending. In addition we have entered into a new four year agreement with Cornell University, via a Memorandum of Understanding which will further strengthen our relationship with the University. Also, under Roger's leadership we were able to convince the University to replace the retiring Bruce Anderson's position with a new person to be announced shortly. Once again, thank you Roger for your very capable, productive leadership.

Now a little about myself. I grew up on a dairy farm in Chester County Pennsylvania. My wife, Ruth and I, with our newborn son Aaron, moved to Eastern Saint Lawrence County New York from Southeastern Pennsylvania 29 years ago. I am a graduate of the Pennsylvania State University with a degree in Agricultural Economics, and a farm management speciality. Prior to moving to New York I was an Assistant Farm Manager at the State Correctional Institution farm at Graterford Pennsylvania. Our original farm was a 50 cow dairy purchased in the Spring of 1977. After a barn fire in 1986 in which the barn was completely burned to the ground but the cows were saved, we rebuilt, expanding to 100 cows. In 1995 we again expanded, building a freestall barn for 300 cows. Our son Aaron joined us and we now operate as Stauffer Farms LLC. In 2004 we bought a neighboring farm which brought our cow numbers close to 700 milking at two locations, and farming about 2000 acres. Our second son, Ben is also now working on the farm and we have a granddaughter and a grandson. I represent Dairylea on the NECC board, and also am on the Northeast council of Dairy Farmers of America and sit on the DFA Corporate Board. I also sit on the ADADC milk promotion board in Syracuse. The good Lord has blessed our family and our dairy farm and we enjoy it immensely.

The immediate focus of the NECC board is the upcoming Cooperative Future Leaders Conference, sponsored by Ocean Spray in Plymouth Massachusetts, in July. Our young members are the future of our Cooperatives and it is essential that their skills and knowledge of cooperatives be sharpened and expanded through interaction with other like-minded young members, and through education and exposure to the variety of things cooperatives do and rewards and pitfalls of cooperative board decisions. Please have your cooperative well represented at this very important educational experience.

The NECC is your organization. Our mission is to stimulate your overall effectiveness through a working partnership of cooperative leadership and using the resources of the faculty of Cornell University. My goal is to enhance the value of the NECC to your Cooperative and to have even more cooperation among cooperatives and their employees throughout the Northeast and, where possible, over a wider area. We are a low budget operation and we intend to keep it that way. Any suggestions or ideas from you, our members, would be appreciated. I can be reached at 315-250-0652, or you can contact Brian Henehan our executive secretary at Cornell University. Brian and his Administrative Assistant, Carol Thomson, provide invaluable assistance to us in running the day to day activities of the organization. We are grateful to them for the service they perform.

They discussed the background and deliberations of the Antitrust Modernization Commission which was created by a mandate from Congress to review current Antitrust laws, enforcement and exemptions. For current updates on the Commission see www.amc.gov

The Forum wrapped up on Thursday morning round table discussions for directors and managers. These sessions allow leaders from across the Northeast to discuss current issues and share strategies with their peers.

The Northeast Cooperative Council...

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Dairylea Cooperative Inc.
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Dairy One
Ithaca, N.Y.

Farm Credit of Maine, ACA
Auburn, Maine

Farm Credit of Western New York, ACA
Batavia, N.Y.

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Lowville, N.Y.

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Presque Isle, Maine

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New York State Rural Electric Association
Hartwick, N.Y.

O-AT-KA Milk Products Cooperative Inc.
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Ocean Spray Cranberries, Inc.
Lakeville-Middleboro, Mass.

Pro-Fac Cooperative
Rochester, N.Y.

Stamford Farmers Cooperative
Stamford, N.Y.

United Cooperative Farmers, Inc.
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To learn more about NECC or read past issues of
"Cooperative Notes" visit the NECC Web pages at:
www.cooperatives.aem.cornell.edu/

Cooperative Notes

Official Publication of the Northeast Cooperative Council

Forum Focuses on — “Advancing Our Commitment to Members”

The Northeast Cooperative Council held its Cooperative Leaders Forum and 57th Annual Meeting on March 15-16 at The Wyndham Syracuse in Syracuse New York. This year’s theme was “Advancing Our Commitment to Members”. The Forum is held in conjunction with CoBANK’s regional customer meeting.



Papadellis

Randy Papadellis kicked off the Leaders Forum with a presentation on “**Building Member Value**”. Papadellis heads Ocean Spray Cranberries, a nearly \$1.4 billion enterprise owned by 650 cranberry growers and 100 grapefruit growers, that produces and markets hundreds of fruit-based beverages and foods in some 130 countries worldwide. His career in the food-

and-beverage industry spans nearly 25 years with some of the top brands in the business — Cadbury Schweppes, Frito Lay, and Welch’s — and was appointed President & CEO by Ocean Spray’s Board of Directors in June 2003.

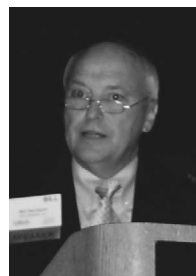
He described how Ocean Spray under his leadership adopted a new business model. Depressed prices for cranberries, an over-supply of product and poor performance of the company led to a critical decision point where members had to decide whether they wanted to sell the juicie business. Pepsi had made an offer to buyout the assets of the cooperative from the members. This decision point and subsequent vote to not sell the cooperative led to a complete review of the current business model.

The first step Randy proposed was to ask the question – “What Do We Do Best in the World?” The answers were that Ocean Spray excels at: growing cranberries and grapefruit, processing raw products and innovation. An added primary strength was having talented people at all levels in the organization.

He discussed the tradition and history of innovation at Ocean Spray including: introducing the first juice aseptic box products, shifting from glass to plastic bottles, and turning cranberry pulp into “craisins”. He continues to build on their innovation strengths by introducing one of the most successful new product lines in the brand’s history — Ocean Spray White Cranberry Juice Drinks. The craisin line is growing into new ingredient markets for trail mixes and other products.

He reviewed strategies to reduce costs and build relationships with industry partners. Ocean Spray has been able to trim more than \$100 million in costs. He has built a new operating alliance with Nestlé USA that has saved both companies millions as well as alliances for product distribution in Japan with Sapporo Breweries, Ltd. and joint processing with Gerber Foods Soft Drinks, Ltd. in the United Kingdom.

And so, profitability for the cooperative has improved along with prices paid to growers. The future is looking brighter for Ocean Spray as the cooperative moves beyond the decision to pass up the buyout offer from Pepsi.



Davisson

Bill Davisson addressed the topic of “**Cultivating International Membership**.” Davisson became CEO of GROWMARK, Inc. in 1998. GROWMARK is a federated, regional agricultural cooperative that provides products and services to member cooperatives in the Midwest U.S. and Ontario with total revenues of \$2.8 billion in 2005. In 2002, GROWMARK acquired the assets of Agway Agronomy and Seedway, LLC

He discussed Growmark’s inclusion of international member cooperatives located in Ontario Province, Canada. The member supply cooperatives of the federated United Cooperatives of Ontario joined Growmark as full and equal members.

NECC Elects Officers & Directors for 2006

The Council announces the election of directors and officers for 2006. Officers were re-elected along with several directors at the Council's annual meeting held in Syracuse, NY. Sanford Stauffer, a New York dairy farmer and director of Dairylea and Dairy Farmers of America Cooperative was elected president. Will Baidon, vice-president, COBANK was elected vice-president to the Council. Theron Kibbe, director of marketing for Farm Credit of Western New York, ACA was re-elected to serve as treasurer of the Council. Brian Henehan, senior extension associate at Cornell University, was appointed secretary.

Five directors were elected to serve on the 13 member board including: Irene Sorensen, director of grower relations at Ocean Spray to represent Ocean

Spray Cranberries, Inc.; Clark Hinsdale, III, dairy farmer and director representing Yankee Farm Credit; and Craig Pollock, vice president, representing First Pioneer Farm Credit. Ed Schoen, a dairy farmer and director of Dairy Farmers of America Cooperative, as well as Ed Neal, a dairy farmer and director representing Upstate Farms Cooperative, were re-elected to serve on the board.



Henehan, Baidon, Stauffer, and Kibbe

Future Leaders Conference Slated for July 20 22

The Cooperative Future Leaders Conference will be held at the Holiday Inn in Batavia, New York, July 20 22. The Conference formerly called the Young Couples Conference is co-sponsored by the Northeast Cooperative Council (NECC) and Cornell Cooperative Extension. We are pleased to announce that Farm Credit of Western New York will be hosting this year's conference. The Conference provides an excellent opportunity for members and staff who are likely to be in leadership positions in their cooperatives to learn more about the unique operating features of cooperatives in today's marketplace. Topics to be addressed during the conference include:

- Cultivating Leadership Skills
- Unique Principles and Operations of Cooperatives
- Responsibilities of Members and Directors
- Understanding Cooperative Financial Statements
- Balancing Leadership Responsibility
- Marketing in a Changing World
- Group Discussion with Cooperative Management and Directors

The Conference will allow free time to meet and enjoy other members and staff of cooperatives. A special agricultural tour will be available to showcase vegetable and dairy production in Western New York with a visit to a greenhouse operation, vegetable harvesting, and a Birds Eye Foods plant.

The primary audience for this conference remains young farmers under 40 years of age (and spouses) who are sponsored by their cooperatives to attend. However, the conference planning committee has invited young cooperative staff with leadership potential to attend (with their spouse).

The Conference has, over the years, provided past participants with a solid foundation for becoming today's cooperative leaders. This conference provides a low cost investment towards insuring future leadership in cooperatives. For more information or registration forms visit our website at [< www.aem.cornell.edu/cooperatives/ >](http://www.aem.cornell.edu/cooperatives/)

National Institute on Cooperative Education

The 78th National Institute on Cooperative Education will be held July 30 – August 2, 2006 at the Shippensburg University, in Shippensburg, Pennsylvania. The conference is intended to provide a deeper understanding of cooperatives to the youth participants who are the cooperative members, customers, employees, directors, and leaders of tomorrow. In a team setting, attendees will serve as managers of a simulated cooperative store, competing with other stores in their market area for sales and profit. Teams will also analyze case studies, develop their own student-run cooperative, and participate in team-building and leadership development activities. Sunday evening will be

the traditional Ice Cream Social and Mixer activity. Monday's State Night Out will include a visit to Gettysburg Battlefield, Mason Dixon Farms and Hershey Park for a picnic dinner and visit to the park. On Tuesday evening an awards dinner and variety show will return. Each state is encouraged to provide skits, musical entertainment or talent for a night of laughter and fun. The closing session on Wednesday will recognize the teams that have been the top performers in various conference activities. More information can be found at the www.maacooperative.com website or by contacting Vicki Lantz at 717-530-1209 or by email: vlantz@pa.net.

New Cornell Faculty Hire

Dr. Todd M. Schmit has been hired as Assistant Professor of Agribusiness in the Department of Applied Economics in the College of Ag. and Life Science at Cornell University. Todd, a native of Wisconsin, grew up in the rural dairy landscape in the heart of America's Dairyland. His agricultural pursuits led him to the University of Wisconsin-River Falls, where he earned a Bachelor of Science degree in Agricultural Business in May 1990. Shortly thereafter, he spent time with Farm Credit Services of West Central Wisconsin as an agricultural loan officer.

In 1992, he entered the Master of Science program in the Department of Agricultural Economics at Cornell University. He earned his Master's degree in May 1994, with a concentration in Farm Management and Production Economics. Applying his interest in the environmental effects of agricultural production activities, his Master's thesis evaluated the economic impact of nutrient loading restrictions on dairy farm profitability.

He continued to develop his research interests in agricultural and environmental economics and accepted a research position in the Department working in agricultural policy and environmental economics.

Todd enrolled in the Ph.D. program in the Department of Agricultural, Resource, and Managerial Economics at Cornell University in the fall of 1997. Todd further honed his skills in agricultural economics and econometric procedures to evaluate farmer-funded programs aimed at expanding consumer demand and increasing net returns to producers of agricultural commodities. He has worked closely with New York State and national dairy commodity organizations in identifying industry issues and applying research tool to address them. Todd received his Ph.D. in Agricultural Economics in the spring of 2003, with a dissertation focusing on alternative econometric approaches to demand estimation and evaluation of generic dairy product advertising.

As Assistant Professor of Agribusiness, he will focus applied research efforts on critical economic, marketing, and management issues related to agribusinesses in New York State and the Northeast. Research activities will support and be productively integrated with an extension program seeking to identify and address relevant issues in the agribusiness industry.