

COOPERATIVE

focus

WINTER 2023

Washington Island

After rebounding from a major power cable failure, co-op launches vital fiber optic project

The Cooperative Model

Building a Better World for Generations

The Story of Toad Lane

How a group of English weavers launched the cooperative movement



WORLD-CLASS EXPERTISE AND INDIVIDUAL ATTENTION

Don't settle for either or.

With M3, you get both: an insurance team that offers personalized guidance today, with the resources and expertise to protect your cooperative for years to come.

Experience the M3 difference at m3ins.com

PROPERTY & CASUALTY — EMPLOYEE BENEFITS — M3 FINANCIAL — M3 ELEVATE



Proud to support
Cooperative Network



www.cobank.com



Table of Contents



- 2** Chair Message
Cooperative Network Team and Board of Directors
- 5** President/CEO Message
- 6** The Cooperative Model: Building a Better World for Generations
- 8** Cooperative Network: 'The Trusted Voice for Cooperatives'
- 10** Virtual Director Education Series
- 11** Q&A's with Cooperative Leaders
- 15** Top 100 U.S. co-ops
- 16** The Story of Toad Lane
- 18** Cooperative News
- 22** Legislative Updates
- 24** Cover Story
- 32** Cooperative Governance Research Initiative
- 34** Minnesota newspaper editors showcase history of cooperatives
- 36** Cooperative Network History



ON THE COVER:
Washington Island Electric Cooperative lineman Don Johnson and co-op property neighbor Hamilton Rutledge watch as the new submarine cable is pulled from Plum Island to Washington Island.



44 East Mifflin Street, Suite 801 | Madison, WI 53703
ph. 608.258.4400 | www.cooperativenetwork.coop

Cooperative Focus is a semi-annual publication of Cooperative Network. Name and contents ©Copyright 2023, Cooperative Network. All rights reserved ©2023.



Cooperative Network



@MemberOwned



Cooperative Network



Cooperative Network

With cooperatives, success begets success



by **Sadie Frericks** Cooperative Network Board Chair

Happy New Year!

Now that the joyful bustle of the holidays is behind us, we're plowing – literally – into 2023. Here in central Minnesota, Mother Nature has blanketed our farm with an unusually large amount of early season snow.

In addition to milking, feeding, and the many other chores on a dairy farm, one of my January jobs is sifting through our financial records to prepare for our annual financial analysis. As I tally the numbers, it's hard not to notice that many of the other businesses who help make our farm successful are cooperatives. We rely on co-ops for milk processing and marketing, feed, crop inputs, electricity, financial services, and more. Likewise, I know that many of you rely on cooperatives for essential goods and services, many of which contribute to your families' well-being and your businesses' success.

With cooperatives, success begets success. When families and small businesses are successful, the cooperatives to which they belong are successful. When our cooperatives are successful, their success is shared with member-owners. Returning wealth to members drives economic activity and creates healthy communities.

But who helps co-ops succeed? Cooperative Network does. Our cooperative for cooperatives exists to provide cooperative businesses with the support they need to thrive. Our primary missions have always been – and will continue to be – advocacy and education. Cooperative Network has a well-respected legacy for representing our members and their policy concerns in the capitols of Minnesota and Wisconsin. We also provide training for members and their boards on current issues and cooperative business principles.

I hope you'll invest in the success of your cooperative by joining me and your fellow Cooperative Network members at the advocacy and education events we have planned.

COOPERATIVE NETWORK TEAM



DAN SMITH
President & CEO

dan@cooperativenetwork.coop
direct: 608.258.4413
cell: 608.572-1258



DAWN BAUSCH
VP | Administration

dawn@cooperativenetwork.coop
direct: 608.258.4390
cell: 608.835.9273



RICK HUMMELL
Communications Specialist

rick@cooperativenetwork.coop
direct: 608.258.4405
cell: 608.347.6750



DAVID LARSON
Government Affairs Director

david@cooperativenetwork.coop
direct: 612.416.1885
cell: 651.364.0758



JENNIFER WICKMAN
Government Affairs Director

jennifer@cooperativenetwork.coop
direct: 608.258.4402
cell: 608.669.6790

BOARD OF DIRECTORS

Sadie Frericks, Chair
Land O'Lakes

Christa Hoffman, Vice Chair
GENEX

Marie Barry, Secretary/Treasurer
Rural Wisconsin Healthcare Cooperative

Michelle Gubser, Director
ProVision Partners

Roger Hildebrandt, Director
Foremost Farms USA

Audrey Hjelle, Director
Great River Energy

Amanda Hoefling, Director
Dairyland Power Cooperative

Amber Horn-Leiterman, Director
Land O'Lakes

Jeff Lyon, Director
FarmFirst Dairy Cooperative

October traditionally is recognized as "Cooperative Month", a time when cooperatives and their members make a special effort to educate the public about their member-owned and member-controlled business form.

Co-op Month provides an opportunity to recognize the cooperative business model as the best way to build an economy that empowers everyone. Although national, regional and local polls consistently show that Americans like the idea of doing business with a cooperative, many people still don't understand what co-ops are. That's what Cooperative Month is all about: to help attract attention to the many benefits of the worker-, producer- and user-owned business model, and letting people know that cooperatives are all around them.

We are the nation's first and only cooperative driven insurance agency. We are committed to the mission and values of the customers we serve.

Some of our programs include:

- Group and individual health insurance
- Dental and vision coverage
- Life insurance
- Workers' compensation
- Property packages
- Pollution coverage
- Cyber insurance
- and other coverage

Contact us to learn more about the options we can provide to protect your family, your employees and your operation.



call: **877-466-9089**
visit: **agri-servicesagency.com**



ASA

Agri-Services Agency
Leaders in Agricultural Insurance

Group Benefits Commercial Coverage Workers' Compensation

ROOTED IN TOMORROW ROOTED IN TOMORROW ROOTED IN TOMORROW




**PROUD SPONSOR OF
COOPERATIVE
NETWORK**



© 2022 Land O'Lakes, Inc.



WWW.RWHC.COM

**YOUR PARTNER.
YOUR CHOICE.**

The Rural Wisconsin Health Cooperative (RWHC) has been providing affordable and effective services to healthcare organizations since 1979. RWHC is owned and operated by forty-four, rural acute, general medical-surgical hospitals. The Cooperative's emphasis on developing a collaborative network among both freestanding and system affiliated rural hospitals distinguishes it from alternative approaches. RWHC offers a variety of programs and services to its members as well as to other clients across the nation.

**Multiple Industries
Thousands of Members
Seven Cooperative Principles**

- 1 **Voluntary and Open Membership**
- 2 **Democratic Member Control**
- 3 **Members' Economic Participation**
- 4 **Autonomy and Independence**
- 5 **Education, Training and Information**
- 6 **Cooperation Among Cooperatives**
- 7 **Concern for Community**

Proud to Power Our Members



A Touchstone Energy Cooperative
www.DairylandPower.com

Welcome to the inaugural issue of Cooperative Focus



by **Dan Smith** Cooperative Network President and CEO

Welcome to the inaugural edition of *Cooperative Focus*. All of us at Cooperative Network are pleased to present a magazine focused on the incredible success of our members, and the positive impact of the cooperative business model.

Cooperative Network supports cooperatives from a dozen sectors across Minnesota and Wisconsin. Structured as a cooperative, and as a non-profit trade association, Cooperative Network is uniquely positioned to support the cooperative business model, as well as serve the specific needs of our members.

We do so by bringing your cooperative voice into the Minnesota and Wisconsin state capitols. We partner with national organizations on federal issues, as well. There is an old saying that those not at the table risk being on the menu – Cooperative Network assures cooperatives are seated at the table, and that their voices are heard.

Cooperatives depend on the hard work of directors and staff. Our extensive cooperative education program provides in-person and virtual instruction in cooperative governance, finance, communication, and employee recruitment strategies. Our recently released Director Education Series brings cooperative education, via a virtual platform, directly into the boardroom. Changes in cooperative leadership is unavoidable due to retirements and a competitive workplace, and Cooperative Network has the programs in place to help our members recruit, onboard, and retain effective leaders.

We believe communication is critical to cooperative success. Policy makers, business leaders and the public must be made aware of the positive economic, social and cultural impacts cooperatives have brought to our world. Cooperative Network maintains a multi-faceted communication platform through our website, our *Capitol Connection* bi-monthly legislative newsletter, our *Cooperative Connection* monthly membership newsletter, press releases, social media posts, and now, *Cooperative Focus*. Our goal is to keep our members informed and educated on policies and trends and to advocate for cooperative interests both in and outside of government circles.

In these pages, you'll find features on projects and accomplishments of member cooperatives committed to serving the needs of their members. In addition, you'll find legislative updates, and articles of interest to the cooperative community.

Cooperative Network has a long history as *The Trusted Voice for Cooperatives*, and a strong track record of influence in government and with the public. We value and support the Seven Principles of Cooperatives, and we are committed to the success of our members and the cooperative business model.

Thank you for your trust, support, and engagement. Our power comes from the diversity of our member cooperatives, the clarity of our commitment to the business model, and our history of influence. Please enjoy our new magazine!

I welcome your comments and suggestions.

The Cooperative Model: Building a Better World for Generations

by **Rick Hummell** Cooperative Network Communications Specialist

On the outside, a cooperative looks much like any other business. Cooperatives sell everything from hammers to fertilizer to clothes. They market producer goods and provide services – from health services to credit to petroleum products to artificial breeding. In fact, a cooperative can do anything any other business can.

A cooperative isn't just another business though – it's something special. Cooperatives are owned, not by private owners, stockholders or outside investors, but by the consumers or producers who use them. And co-ops don't keep their profits – they return them to their members as a yearly patronage refund or invest them back into the co-op in the form of expansions, new facilities, equipment and technology upgrades, etc.

Established in 1895 and located in Brussels, Belgium, the International Cooperative Alliance is an independent association that unites, represents and serves cooperatives worldwide. As such, the ICA is the global steward of the Statement on the Cooperative Identity – the values and principles of the cooperative movement.

In 1995, the ICA adopted a revised Statement on the Cooperative Identity which contains the definition of a cooperative, the values of cooperatives, and the Seven Cooperative Principles.

Definition of a Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common

economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Seven Cooperative Principles

Cooperatives are guided by the Seven Cooperative Principles: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and, concern for community. For nearly two centuries, in countries across the globe, the cooperative business model has responded to the emerging needs of workers, consumers, and society.

“Cooperatives trace their roots to the seven principles that have stood the test of time.”
- Dan Smith,
President and CEO

“Cooperatives trace their roots to the seven principles that have stood the test of time – through World Wars and the Great Depression and recessions and pandemics – that set them apart from investor-owned companies and ensure control of the business is in the hands of our customer/owners,” said Dan Smith, Cooperative Network president and CEO.

“Because of our unique ownership structure, cooperatives act in the best interest of our members, our communities, in the states in which they operate and around the world – for the long term,” said Smith.

Cooperatives have established a strong track record of successfully responding to the emerging needs of consumers and producers. In the Upper Midwest, cooperatives have historically played pivotal roles in agricultural development, electrification, telecommunications, and transportation. These efforts continue today, under democratically elected boards of directors, and aligned with the Seven Cooperative Principles.

There is no single method of conducting business, serving the needs of producers and consumers, and meeting the demands of a changing world. Cooperatives, private businesses, organizations, and government combine to form a sustainable system which supports a diverse economic, social, and cultural fabric. Cooperatives exist as an integral part of this fabric.



easy living



Enjoy the good things in life with peace of mind.

Discover Applewood Pointe, vibrant **62+ communities** offering **low maintenance home ownership** with a carefree lifestyle. Our members create **lifelong friendships** with their neighbors as they enjoy all of the activity that cooperative living has to offer.

Call **952.884.6400** or email **info@applewoodpointe.com** today to reserve a spot at one of our monthly informational meetings to learn more.

applewoodpointe.com

Cooperative Network: 'The Trusted Voice for Cooperatives'

by **Rick Hummell** Cooperative Network Communications Specialist

The largest statewide association of its kind, Cooperative Network's mission is to promote, represent, and advocate for the cooperative way of doing business and is committed to protecting and promoting cooperative businesses and their shared cooperative principles.

"It's often said that the cooperative system is like a muscle – it requires exercise," said Dan Smith, Cooperative Network president and CEO. "Cooperative Network exists to strengthen the cooperative system. Through our work in the halls of government, in the public square, and through communication and education programming, Cooperative Network helps ensure the past success of cooperatives will continue far into the future."

"It is this kind of collective strength that Cooperative Network members have come to rely on, as we provide services in areas such as business development, communication, education and government affairs," said Smith.

Known as the *Trusted Voice for Cooperatives*, Cooperative Network is governed by a board of directors made up of cooperative leaders from Minnesota and Wisconsin, two Midwestern states which have the highest concentration of cooperatives in the U.S. Members gather each year to determine Cooperative Network's legislative and educational priorities, and membership committees meet throughout the year to develop and guide sector strategies.

As a non-profit trade association, structured as a cooperative and aligned with the Seven Cooperative Principles, Cooperative Network combines a dozen cooperative sectors into one cooperative voice.

"Our members know they are stronger together than alone," said Smith. "The influence of cooperatives extends across business sectors, in urban and rural communities alike. Cooperative Network brings this community of cooperatives together, amplifies its voice, and extends its influence."

Cooperative Network members agree.

"Cooperative Network provides membership values in many ways," said Kirby Wagner, government relations associate manager for Growmark, Inc., a longtime member of Cooperative Network.

"One of the biggest benefits is the responsiveness to issues and opportunities. To have open lines of communication to seek action and information critical to business is invaluable. Cooperative Network builds and maintains relationships with policy decision makers. Those relationships allow us to be at the table for critical negotiations resulting in successful support of cooperative business."

Dave Smercina, managing director of Ag Source Cooperative Services, said, "Cooperative Network provides a community for co-ops to exchange ideas and information and to pool our resources to support additional benefits important to our members such as educational opportunities and making farm voices heard with legislators."

"I can keep focused on my job knowing Cooperative Network has our back".

- Christa Hoffman,
GENEX

"Cooperative Network keeps us informed with issues that impact our business and industry at the state level," said Christa Hoffman, business development administrator for Cooperative Network member GENEX, "Their advocacy work for cooperatives across Wisconsin and Minnesota is unmatched. I can keep focused on my job knowing Cooperative Network has our back."

Added Jeff Lyon, general manager at FarmFirst Dairy Cooperative, "Our dairy farmer members and cooperative are busy each day working to grow our business. Cooperative Network's daily advocacy on state legislative and regulatory issues is critical to our success because we can't be at the Capitol all the time. A great investment!"

Tim Size, executive director of Rural Wisconsin Health Cooperative (RWHC), said "We are a longtime member of Cooperative Network because we are stronger together in an increasingly competitive age that cares less and less about the vitality of local communities."

Smith said Cooperative Network's "advocacy in Minnesota and Wisconsin state government extends across party lines to work with legislators, governors, and state agencies with one goal in mind – cooperative success."

Smith said, "Just as our cooperative members continue to evolve, Cooperative Network evolves as well. Our education and training programs support members on matters of cooperative governance and our communication platforms connect cooperatives with consumers to reinforce the overall impact of the cooperative system."

The Strengths of Cooperative Network

FOSTERING RELATIONSHIPS AND PARTNERSHIPS BETWEEN OUR MEMBERS

Through various events, our members come together to discuss the unique challenges faced by cooperatives, determine our priorities, and advocate for cooperatives. Individuals from various cooperative sectors interact, building relationships and finding potential partnerships with others who understand why cooperatives are important for our communities.

A STRONGER COOPERATIVE VOICE

Cooperative Network is the largest state level organization advocating for support of cooperatives in Minnesota and Wisconsin's national efforts. Located near our cooperative members, we can easily tailor our message to the specific challenges faced by cooperatives due to state political and economic climates.

GOVERNMENT RELATIONS/ADVOCACY/LOBBYING

CN's government relations team builds visibility of cooperative businesses and issues in and around the State Capitols; uses its expertise and relationships to effectively play offense and defense on legislative and regulatory issues impacting cooperatives; and promotes strong communication with all membership sectors, including senior cooperative housing.

THE OPPORTUNITY TO ASSUME A LEADERSHIP POSITION IN THE COOPERATIVE NETWORK ORGANIZATION

As an organization that believes in the principles of cooperatives, the interests and needs of our members determine the work done by CN.

LEARNING AND DEVELOPMENT OPPORTUNITIES

To ensure cooperative boards, management and staff have the tools to function in accordance with relevant federal and state laws and regulations, CN has developed an on-line education video library geared towards educating new directors about cooperative governance, their roles and responsibilities, and the ins and outs of cooperatives.

ABUNDANT COMMUNICATIONS RESOURCES

CN's communications resources provide members with the tools to effectively communicate the benefits of operating as a cooperative with the general public, policy makers, the media, and their own membership. CN members receive regular news and information about what's happening in the "world of cooperatives" through e-mail blasts, newsletters, press releases, blogs, social media platforms, and the new *Cooperative Focus* magazine.

Virtual Director Education Series offers training on cooperative principles, governance and other topics

In keeping with Cooperative Network's (CN) mandate of delivering world class cooperative education programming directly to its members, in December, 2022 CN released the Cooperative Network Virtual Director Education Series, a set of six videos on subjects vital to cooperative leadership.

"Cooperative Network is pleased to respond to the growing demand for cooperative education programming with six tutorial videos, available only to Cooperative Network members, which can be played in the boardroom to instruct directors and staff on subjects of importance, such as cooperatives principles and governance, finances, the roles of board members, and the history and heritage of the cooperative movement," said Cooperative Network president and CEO Dan Smith.

CN contracted with a professional videographer to record and produce the series, with Smith and David Larson, CN Government Affairs Director-Minnesota, and Cooperative Network member representatives serving as knowledge experts/hosts for each segment.

"We appreciate the experts who provided their knowledge and expertise, and we are excited to further our cooperative education programs via this modern, virtual platform," said Smith.

The six videos:

Toad Lane and the Seven Cooperative Principles - Cooperatives have a common history of successfully providing members with the goods and services essential to their well-being. This video examines the history of cooperatives and how the Seven

Cooperative Principles have guided cooperatives for generations.

Best Practices in Cooperative Governance -

Cooperative governance procedures and policies often present a challenge for cooperative boards. This video highlights proper governance cooperative directors must follow to ensure legal compliance in managing the cooperative.

Planning for Tomorrow: Cooperative Success & Talent Recruitment -

Cooperatives rely on the leadership of directors and staff. Learn how to successfully recruit and retain cooperative leaders capable of successfully directing a cooperative into the future.

Cooperative Finance: Understanding the Numbers - Analyzing cooperative financial statements is a primary director responsibility. This information is often complex. Learn the basic components for understanding cooperative financials to better understand a cooperative's bottom line.

Roles and Responsibilities for Cooperative Directors - Cooperatives exist for the benefit of their members, who share both reward and risk, and democratic control. This video instructs cooperative leaders on effective leadership, communication, and cooperation across the cooperative management team.

Best Practices in the Cooperative Board Room - Cooperatives work best when the cooperative boards work in unison with management to develop and implement the cooperative's strategic plan. This video discusses ways directors and management can create and maintain a positive working relationship.



AgSource Cooperative Services

Q&A with Dave Smercina, Managing Director



Why is your cooperative important to you?

AgSource is important to me and the team at AgSource because the work we do provides vital information important to our members and customers. Our members rely on AgSource to be a trusted partner providing them with accurate and timely information that allows them to make better decisions, such as what cows to treat or cull, what nutrients to spread on their fields, or assuring compliance with regulations. Our test results provide important insights into their day-to-day operation.

What metrics do you use to measure the success of your cooperative? Is it profit? Is it meeting the member's needs? Is it member engagement?

We of course measure revenue and profit to assure we can continue to invest in our cooperative and the services we provide our members. We also closely look at membership growth – are we attracting new members and customers? The main benefit we offer our members are insights from the data we collect and produce – we want our members to fully understand the story the data is telling them. To that end, we invest in staff who can assist members and offer interactive webinars, along with training at our meetings to help our members get more value from the dollars they spend with us.

Why do you support the Cooperative Model?

As a cooperative, our members are our owners. This ties us to the people who consume our services in

ways other business models attempt to but usually fall short of. We have one overarching goal – to help our members – so our actions need to support this goal. We actively solicit our members for feedback on the products and services we offer so we have a continuous, trusted feedback loop – again, difficult to duplicate in other business models.

What are some of new challenges/opportunities facing cooperatives?

Cooperatives face the same challenges as all business. Our current challenge is finding enough people; our growth depends on attracting and retaining good staff. Another challenge is to engage with the next generation of membership. The cooperative business model offers a unique opportunity for members to voice opinions and drive business decisions that ultimately deliver value back to them. This level of transparency and interaction should appeal to the next generation of business owners. The challenge has been in educating them on the benefits of the cooperative structure. Overall, opportunities are out there. Our services are as necessary as ever as evidenced by our growth. The only thing that stands in our path is having the staff to reliably and professionally respond.

(Based in Madison, Wis., AgSource is a broad-based agricultural service cooperative specializing in laboratory testing and the generation of value-added management information.)



SAVE THE DATE!
06.21.22

Cooperative Network
FIRST ANNUAL GOLF OUTING

The Golf Club at Cedar Creek | Onalaska, WI 9 am Registration | 11 am Shotgun Start
 Visit cooperativenetwork.coop for complete details, including a link to register.

Rural Wisconsin Health Cooperative

Q&A with Tim Size, Executive Director



Why is your cooperative important to you?

It is not "my cooperative." It belongs to the members, whom we serve. The cooperative is important to me as I believe we, staff and members, have made a real difference in preserving and growing rural health and healthcare in Wisconsin, during an era when it has been in retreat across the country. There is no greater privilege than to love one's work to the extent it does not feel like work.

What metrics do you use to measure the success of your cooperative? Is it profit? Is it meeting the member's needs? Is it member engagement?

The main benefit of RWHC to our members is that we help with their survival and growth as a critical resource for the communities they serve.

To measure our success, we use a balanced score card calculated quarterly with 12 metrics spread over four domains:

- Financial/Business (e.g. Profit Margin Variance)
- Customer (e.g. Member Staff Roundtable Satisfaction Scores)
- Internal (e.g. Operational Strategic Objectives Met)
- Investment (e.g. Staff Satisfaction/Engagement)

Why do you support the Cooperative Model?

Healthcare is a very competitive sector with many large powerful corporations; the cooperative model is well known in Wisconsin as a means for individual entities to come together for shared services and advocacy without fear of one participant dominating another.

What are some of new challenges/opportunities facing cooperatives?

Our single biggest challenge at RWHC is the growing shortage of workers due to aging Baby Boomers impact on both supply and demand, accelerated

by the brutal impact of the Covid epidemic on the current generation of healthcare workers. Our largest new opportunity is to participate in community economic development efforts.

(RWHC has been providing services to healthcare organizations since 1979. Based in Sauk City, Wis., RWHC is owned and operated by 44 rural acute, general medical-surgical hospitals.)

GARDINER + COMPANY
Certified Public Accountants

Founded in 1964, with more than 55 years of experience

- 40+ professionals providing audit & tax services
- Offices in Iowa (2), Nebraska & South Dakota
- Focused on staff retention & development

Clients with locations across the country

- Providing local service to clients as far as 500 miles away
- Partners actively work on most audits

Gardiner + Company's partnerships are built by our people, their wealth of experience & expertise

- We work with you so we can succeed together
- Retaining client relationships dating back since our company's inception

Tax department focusing on co-ops and agribusiness

- 100 co-op clients across the country
- More than 15 clients in the Top 100 Agricultural Cooperative per USDA

DEDICATED TO WHAT COUNTS
gardinercpa.com

CHS Inc.

Q&A with Jay Debertin, President and CEO



Cooperatives, including CHS, have been around for generations. How has the cooperative model endured this long for agriculture?

First and foremost, the businesses that we are in at CHS, and the people that own us, are enduring businesses. At CHS, our underlying purpose is to create connections to empower agriculture. The idea of feeding people around the world does not go away, and never will go away. How we go about it is absolutely going to change, but that fundamental underlying purpose of the company is enduring.

The second area that I would point to is we at CHS, and the people that own us, adapt. We adapt to a world that changes, we adapt to a world that does business differently today than it did a decade ago, and will do business different a decade from now than it does today. We adapt to the world as it is, and as changing consumer preferences change around the world.

And the third area I'd point to is we have to perform in our functions of supplying and marketing for our customers around the world. When you're able to do those three things: start with an underlying, enduring business, adapt for the world as it is, and perform at the end of the day, that's what gives us great hope for an enduring future.

What investments are you making to ensure the success of your cooperative?

I'd begin with our investment in talent. At the end of the day, if you give me just one thing that I can look at to help ensure our success and the success of the people that we work with that own us, it's investing in good people to help both our customers, our owners, and how we run the company.

Second is our investment in facilities, our investment in speed and space, and our investment internationally where it's necessary to ensure markets are open for the crops and goods that our customers and owners

grow. We need to keep our head up and look at the world as it is, maybe not as we planned, but as it is. Inside of that are opportunities and change that we need to be ready for.

Finally, I'd say our responsibility of being an advocate for the United States farmer. CHS is the largest cooperative in North America. With that comes the responsibility to be at the table and to advocate for farmers. It's our responsibility to represent those views, and we take that responsibility seriously in lots of settings with lots of stakeholders to make sure that those views get represented and those real concerns are heard.

How do you see CHS and the cooperative system evolving and being successful in the future for all stakeholders – how do you get there?

First is our commitment to agriculture and our commitment to rural America. While that may sound easy, we are not 'in and out' of rural America, even when conditions are difficult. We are committed to agriculture, we are committed to the markets that we operate in, and we are committed to the people that own us and our customers around the world. We take responsibility for those that count on us seriously. When our crop inputs go to plant the crop in the spring, we take very seriously that we need to have those for the people that count on us where they are.

Another area I would point to is we invest in our people to help our owners grow, because at the end of the day an important part of the value that we bring to our owners and our customers around the world, is our people. Finally, I would point to our return for profit to rural America. When CHS does well, the people that benefit from that financial viewpoint are the people that own us and do business with us. That's where our profits go and those people are located in rural America. It's a blessing that we can be part of an industry and help rural America.

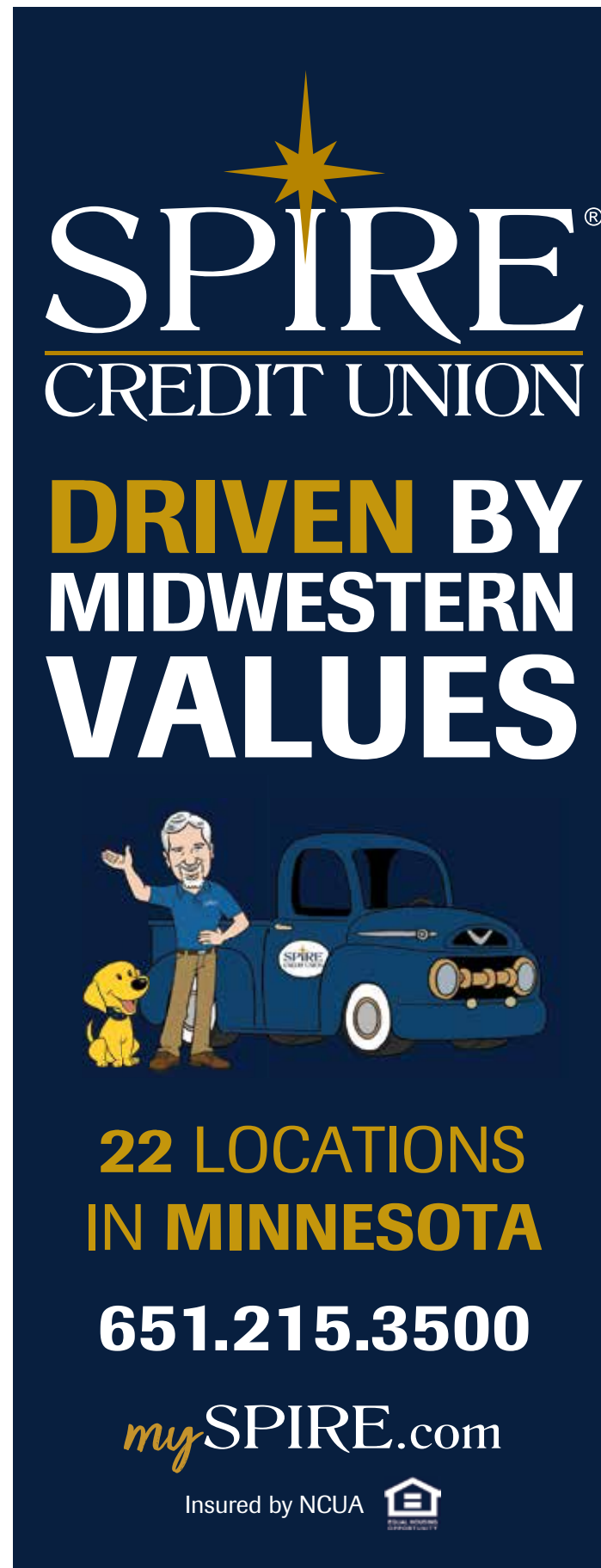
What are some of new challenges/opportunities facing cooperatives?

There are a couple things that I would point to that are on our radar. First, sustainability issues are continuing to grow. I think the issues and the speed at which the issues come at us is a little bit uncertain. What isn't uncertain is they're coming at us. Those could come from government rules and regulation, but also from what customers are looking for and what their demands are.

Our role at CHS is making sure that we are helping the people that own us as well as how we operate are in sync with the evolving world with sustainability issues. We really look at our role as helping producers win in that environment. We as producers of food also need to grow more food with less water and less fertilizer. That's kind of the answer to the riddle and now we need to work on the riddle – how do we do that? The technology that we bring to the people that own us, in very specific ways, help people do that.

Finally, I'd point to creating new connections around the world to provide value to our owners and our customers globally. Where is the next growing market for the products we grow, and the products that our producers grow? CHS needs to make sure that we are looking for the next market, what's around the corner, what's coming. And then, likewise, the supply side of our equation. What parts of the world are the supply hubs that we need to be creating more and more connections with so that we can be a dependable, relevant supplier long into the future in a world that's increasingly ever-changing.

(CHS, Inc. is a global agribusiness owned by farmers, ranchers and cooperatives across the United States. Headquartered in Inner Grove Heights, Minn., CHS supplies energy, crop nutrients, seed, crop protection products, grain marketing services, production and agricultural services, animal nutrition products, foods and food ingredients, and risk management services. CHS operates petroleum refineries and pipelines and manufactures, markets and distributes Cenex® brand refined fuels, lubricants, propane and renewable energy products.)




SPIRE[®]
CREDIT UNION

**DRIVEN BY
MIDWESTERN
VALUES**

**22 LOCATIONS
IN MINNESOTA**

651.215.3500

mySPIRE.com

Insured by NCUA 

Top 100 U.S. co-ops post \$255 billion in revenue; up 11% over previous year

Article adapted from the National Cooperative Bank 'Co-op 100 Report'

The top 100 co-ops in the US had joint revenue of \$255 billion in 2021, according to an October, 2022 report from National Cooperative Bank (NCB), marking an increase of 11% over 2020.

NCB has been producing its Co-op 100 report every October since 1991, listing the biggest 100 co-ops in the US by revenue.

The top co-ops came from the agricultural sector, with CHS, Dairy Farmers of America and Land O'Lakes taking the top three places – unchanged from 2020. In 2021, agribusiness giant CHS reported revenues of \$38.4 billion, Dairy Farmers of America, \$19.3 billion, and Land O'Lakes dairy, \$15.9 billion.

Grocery co-ops Wakefern Food Shoprite and Associated Wholesale Grocers also held their 2020 places at fourth and fifth place – Wakefern/Shoprite with revenues of \$11.7 billion, and Associated Wholesale Grocers with \$10.8 billion.

Seventh on the list was hardware and lumber co-op ACE Hardware, with revenues of \$8.5 billion.

In the finance sector, Navy Federal Credit Union placed eighth on the list with \$7.9 billion. The next largest finance co-op on the list was CoBank at sixteenth, with \$3 billion in revenues.

Healthcare was represented in the top 10 by HealthPartners Inc., who brought in \$7.7 billion.

The top electric co-op in 2021 was Basin Electric Power Cooperative with revenues of 2.6 billion.

"Many of these cooperatives that appear on the list are household names and are known throughout the world," NCB President and CEO Casey Fannon said in NCB's October 2022 report.

"Cooperatives employ millions of people, pay taxes and give back to their communities," said Fannon.

"They provide valuable products and services, trade in the global markets, and deal with competition. While cooperatives may offer similar goods and services as publicly traded firms, they use a distinctly different business model. Co-ops operate for the benefit of their member-owners and communities. Having a vested interest in the co-op fosters a natural closeness and accountability between owners/ members and management."

Added Fannon, "Big or small, hardware or grocery, over 100 years or just emerging, co-ops make a difference in the lives of their members and the community. While co-ops vary in industries, what they all have in common is embracing the values and principles that make them truly unique."

Find this report at www.ncb.coop/press-releases

"Big or small, hardware or grocery, over 100 years or just emerging, co-ops make a difference in the lives of their members and the community."
- Casey Fannon, NCB President and CEO

The Story of Toad Lane: How the cooperative movement started

Today's co-operatives have their beginnings in the founding of an early cooperative, which was started in Rochdale, England in 1844, by a group of weavers. These workers were tired of paying high prices for poor quality food, but didn't have enough money to start a store of their own. The solution was for all the people interested in becoming members and co-owners of a store to contribute a small amount of money to a fund.

When the fund was big enough, the Rochdale Pioneers, as they came to be called, were able to rent a building, buy some supplies, and open up shop. That early co-operative opened its doors on Dec. 21, 1844. It was very successful, as people in Rochdale appreciated being able to buy goods of consistently high quality at a fair price. Because they put their organizing principals down in writing, the legacy of the Rochdale Pioneers lives on. Today, there are thousands of cooperatives all over the world which have used these principals to organize their business.



Toad Lane store - 1800s



Toad Lane store today.

do by hand. The cloth sold in great quantity, bringing great wealth to the mill owners, but the workers were poorly paid.

Supplying the mills with wool was very profitable for the rural landlords, so they began replacing the small farms with grazing land for sheep. The people who lived and worked on the farms had to move to the cities to look for jobs, but so many people moved to the cities that there was not enough work for everyone.

Factory owners used this as an opportunity to hire women and children, who worked for less money than men. Even children as young as four or five years of age labored in factories. Sometimes they were beaten, and often were expected to perform adult tasks. Working hours were long for everyone: up to 16-17 hours a day.

The factories were unhealthy places: poorly lit, smoky, dirty, noisy and badly ventilated. The combination of poor working conditions, long hours, and poor food undermined the health of working families. Many factory owners organized

general stores, where they sold goods at high prices. They forced the workers to shop there and fired them if they did not. The store owners mixed cheap substitutes into the food in order to increase their profits. Flour was mixed with lime or broken rice, coffee with chicory, cocoa with brown soil, and tea with dried leaves. False weights and measures were

used, but there was nothing the workers could do about it.

The workers and unemployed lived in unhealthy conditions. The houses were badly built, unheated, and in poor repair, often on narrow dirty streets. Many families had only one room and others lived in dark, damp basements. In those years, there was no regular schooling for everybody and few children learned to read and write.

People began to hold meetings to discuss ways to improve their situation. Strikes had not succeeded. Then, toward the end of 1843, some poor, hungry, unemployed workers and their friends decided upon a solution. They wanted to break their dependence on the factory owners who controlled production and jobs. They decided that the solution was to open their own factories and shops, and possibly to acquire houses and estates. But to do this, they would need money.

At first, only 12 people were able to contribute money regularly, but as time went on and the plan was talked about at more public meetings, the list of contributors began to grow. Finally, on Oct. 24, 1844, when 29 people had managed to gather together 28 pounds, they were able to register themselves official as the Rochdale Society of Equitable Pioneers.

Two months later, on December 21, they were able to open their "co-operative shop" on a street called Toad Lane. It was a very small beginning. At first, they were only able to sell a few items: flour, sugar, butter, oatmeal and candies. Half of their money was spent on fixing up their shop. But they didn't give up, and they didn't fail. By 1857, they were selling \$100,000 or more worth of goods a year. And the co-op they started then is still going strong today.

The major contribution of the Rochdale Pioneers is that their leaders developed specific principles for the operation of their business and put them down in writing. These principles, known as the Rochdale Principles, which later evolved into the Seven Cooperative Principles, are the basis of a world-wide social and economic movement.

Adapted from Canadian Cooperative Association handout 12.1.1

THE SEVEN COOPERATIVE PRINCIPLES

- 1 Voluntary and Open Membership**
Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- 2 Democratic Member Control**
Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.
- 3 Member Economic Participation**
Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
- 4 Autonomy and Independence**
Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
- 5 Education, Training, and Information**
Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.
- 6 Cooperation among Cooperatives**
Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- 7 Concern for Community**
Cooperatives work for the sustainable development of their communities through policies approved by their members.

Mergers, accolades and construction

Agreement reached for sale of 16 ALCIVIA Wisconsin C-Stores to Consumers Cooperative

ALCIVIA and Consumers Cooperative in December, 2022 executed an agreement for the sale of ALCIVIA's 16 convenience stores (C-Stores) across Wisconsin to Consumers Cooperative.

ALCIVIA is a member-owned agricultural and energy cooperative based in Wisconsin serving farm, business, and retail customers in Wisconsin, Minnesota, Illinois, and Iowa. Incorporated in 1927, Consumers Cooperative was created by early farmers of Sauk Prairie, Wis. to provide the community with petroleum products.

Connexus Energy transitions from member-owner to customer of Great River Energy

In August, 2022 Great River Energy's member-owner cooperatives approved agreements for Connexus Energy to transition from member-owner to customer of Great River Energy. Great River will continue to supply wholesale energy to Connexus, and the new agreements establish a contractual framework for Connexus to secure more of its own power supply resources.

Great River will continue to own, plan, build, operate, maintain, and contract the transmission system necessary to provide Connexus with transmission and ancillary services. Under the new arrangement, Great River will serve as energy market participant for all Connexus needs for at least 10 years. The agreements have an effective date of Jan. 1, 2023.

CHS building new state-of-the-art grain facility in Erskine, Minn.

Minnesota-based agricultural cooperative CHS Inc. is building a new state-of-the-art grain facility with 1.25 million bushels of additional storage capacity in Erskine, Minn. Construction started this past summer and the facility is slated to be operational in the fall of 2023.

The new facility will help CHS expand operational capabilities and increase efficiency across its footprint. In a news release, CHS said the facility will bring total capacity at the Erskine location to 4.55 million bushels of storage and will complement

existing CHS grain, agronomy and energy assets and offerings for area producers.

The new terminal is the latest in a series of investments throughout Minnesota and North Dakota by CHS. In keeping with its core value of safety, the company has placed priority on safety features and advancements to improve operating conditions.

Land O' Lakes partnership earns Outstanding Supply Chain Sustainability Award

Land O'Lakes, Inc. received the 2022 Outstanding Supply Chain Sustainability Award from the Innovation Center for U.S. Dairy for the cooperative's work on a multi-year pilot program designed to demonstrate the value of feed production practices which improve soil health and reduce greenhouse emissions.

Land O'Lakes dairy farmer-owner and Bel Brands milk supplier Boadwine Dairy was the pilot location for the first year of the program, which involved increasing the use of cover crops and other sustainable agricultural practices at Boadwine. The program provides cost incentives, access to resources and expertise, and the use of the Land O' Lakes Truterra™ Insights Engine at participating farms. Truterra utilizes precision agricultural technology and on-farm business management to drive sustainability across the food system.

The multi-year program is designed to demonstrate the value of feed production practices that improve soil health and reduce greenhouse gas emissions and supports Bel Brands' and Land O'Lakes' shared ambitions to improve sustainable farming practices and reduce dairy's environmental footprint. The program is expanding to dairy farms ranging in size from 450 to 2,000 cows in two regions.

Hoffman receives Farm Bureau's Young Farmer Outstanding Ag Professional Award

Christa Hoffman was selected as the recipient of the Wisconsin Farm Bureau's Young Farmer and Agriculturist Outstanding Agriculture Professional Award at the organization's Annual Meeting in December.



The Outstanding Agriculture Professional Award is presented to a Farm Bureau member between the ages of 18 and 35 who has not derived a majority of his or her income from a farm for the past three years. Examples of occupations of ideal applicants include agricultural education instructor, fertilizer salesperson, veterinarian, farm employee, journalist or marketer. Hoffman is a business development administrator at Cooperative Network member GENEX and also serves as vice chair of Cooperative Network's Board of Directors. She serves on the Shawano County Farm Bureau board of directors and is the co-chair for Brunch on the Farm.

The Wisconsin Farm Bureau Foundation co-sponsors the contest with GROWMARK, Inc., and Rural Mutual Insurance Company.

Organic Valley's Siemon receives Honorary Recognition Award from UW-CALS

George Siemon, an original founder and former CEO of Organic Valley, was presented with an Honorary Recognition Award by the College of Agriculture and Life Sciences at the University of Madison-Wisconsin in October, 2022.



Siemon, who established Organic Valley with six other founders in 1988, played a key role in transforming American farmland by helping create a demand for organic food including dairy, eggs and meat products and stabilizing an industry now worth \$60 billion a year.

With revenues of more than \$1 billion annually, Organic Valley is the nation's largest organic co-op. It is comprised of about 1,800 farmers from 34 states, Canada, Australia and the United Kingdom.

United Cooperative undertakes numerous construction projects

The United Cooperative board approved a large number of building projects in 2022 to meet the demands of customers. Some of the projects, completed and in construction phases, include:

- Waupun – New feed mill construction facility which will hold about 8,500 tons of feed ingredients, along with 40,000 sq. ft. of warehouse storage, and a new 2.8-million-bushel grain terminal. Operational 2023-2024.

- South Beaver Dam – A 30,000 sq. ft. warehouse and office remodel. Completed. Also, expansion of the liquid fertilizer plant. Early 2023.
- Reedsburg – Upgraded liquid facility and 16,000 sq. ft. warehouse. Completed.
- Fall River – Transload plant with rail unloading capacity and track storage. Completed.
- Center Valley – 8,100 sq. ft. dry fertilizer agronomy facility and 3.7-million-bushel grain storage facility. Spring 2023
- Boscobel – 1-million-bushel load out storage and tracks to load 110-car unit trains. Operational 2023
- Shawano Agronomy – A 6,600-ton dry plant addition. Completed.
- Deerfield – Dry fertilizer plant expansion. Early 2023.

Summit Credit Union earns top mortgage lender distinction

Member-owned financial cooperative Summit Credit Union is the top mortgage lender in Wisconsin, according to data collected under the Home Mortgage Disclosure Act (HMDA).

Data was collected for 2021 under the HMDA, a federal law requiring annual disclosure of mortgage data by financial institutions and reported by the Consumer Financial Protection Bureau (CFPB). For more than a decade, Summit has been ranked the #1 Mortgage Lender in Dane County, Wis.

Summit provides mortgages and Home Equity Loans and Lines of Credit (HELOCs) throughout Wisconsin. The financial cooperative offers access to Mortgage Loan Officers at its 49 locations, online and via video appointments, maximizing convenience and offering greater flexibility to members.

Fredrikson & Byron recognized as one of best law firms for female attorneys

For the ninth consecutive year, Fredrikson & Byron received national recognition for its status as one of the best U.S. law firms for female attorneys, according to two recently published Law360 surveys.

The Law360 Pulse Ceiling Smashers Report recognizes firms that are legal industry pacesetters in closing the gender gap in equity partnership. With women comprising 32.6 percent of its equity partners, Fredrikson & Byron ranked fifth nationwide among the firms in its headcount category (251-600 attorneys).

The firm continues to be the top-ranked Minnesota-headquartered firm in this group. Fredrikson has also led the way among Minnesota firms in the Glass Ceiling Report, placing among the top 10 U.S. firms with 251-600 attorneys.

Fredrikson & Byron's 340-plus attorneys are based in Minneapolis, with offices in Bismarck; Des Moines; Fargo; Madison; Mankato; St. Paul; Salfillo, Mexico; and Shanghai, China.

SPIRE receives National Excellence in Lending Best in Show Award

SPIRE Credit Union was honored with the 2022 National Excellence in Lending Best in Show Award. The award, sponsored by the Credit Union National Association (CUNA) Lending Council, recognizes credit unions for exemplary lending strategies. They established the program in year 2000 to identify, recognize and share examples of lending excellence within the credit union movement.

SPIRE, in partnership with the St. Paul Port Authority, a local economic development agency, was one of the first credit unions in the US to launch PACE (Property Assessment Clean Energy) financing. Collaboratively, they encouraged legislation supporting the new program for clean energy financing. Energy savings from the SPIRE PACE financing is the equivalent annual carbon dioxide emission reduction of 5,100,000 pounds of coal burned; 11,500,000 miles driven annually by a car; and 896 homes' electricity use for one year.

ProVision Partners constructing huge new feed mill in Hixton

ProVision Partners Cooperative in May started construction of a 100,000-ton capacity feed mill located next to the cooperative's grain and agronomy facilities in Hixton, Wis. The facility, to be completed late in 2023, will feature 32 overhead bins, 12 loadout bins for mixed feeds, two mixing systems, and a bag feed warehouse. It will be equipped with automation software and equipment and is being constructed with expansion capabilities for additional warehouse space, overhead bins, and commodity storage.

"We are excited to have this new, state-of-the-art feed mill which will allow us to better serve customers in our western and southern regions with a full line of

diverse, customizable products and services," said Rob Larson, ProVision Partners CEO and general manager.

Lakes Area Cooperative merges with Community Cooperative

The Lakes Area Cooperative board voted to approve a merger with Community Cooperative in November, 2022 to take effect this year. The new company, Lakes Community Cooperative, will go forward with a stronger balance sheet and a continued mission of excellent customer service, according to reports.

Lakes Area Cooperative operates in Perham, Ottertail, Battle Lake, Vergas, Dent Menahga, Wolf Lake, Park Rapids, Wadena, Hackensack, Akeley, Clarissa and New York Mills. Community Cooperative has locations in Lake Park, Detroit Lakes, Mahnomen Twin Valley, Flom, and Winger.

CoBank once again named to list of 'world's safest banks'

CoBank, a cooperative bank serving agribusinesses, rural infrastructure providers and farm credit associations throughout the United States, has been named to Global Finance magazine's list of the "World's Safest Banks" for 2022. This is the 12th consecutive year CoBank has been named to the list. Global Finance, which covers the financial services industry, publishes its "World's 50 Safest Banks" list annually. Banks are ranked using a methodology that includes total assets and an evaluation of long-term ratings from major rating agencies.

CoBank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 76,000 farmers, ranchers and other rural borrowers in 23 states

Heartland Credit Union merges with Dane County Credit Union

Members of Dane County Credit Union (DCCU) voted in favor of joining forces with Heartland Credit Union (HCU). The official legal merger took place on March 1, 2022. Discussions began the previous year, with both boards unanimously supporting the partnership of the two organizations to "bring added value and increased benefits to both memberships. "

The combined credit union, operating under the Heartland Credit Union name, holds approximately \$617 million in assets, and serves more than 36,500 members throughout 28 counties in Wisconsin, Iowa, and Illinois. Heartland Credit Union was formed in 1936 and Dane County Credit Union in 1935.

Foremost Farms supports Wisconsin State Fair with donations of butter, volunteer work

Foremost Farms offered its support to the Wisconsin State Fair this year in the form of product and employee volunteers. Over 1,000 pounds of butter were donated by Foremost to the Wisconsin State Fair Dairy Promotions Board to be used at one of the fair's busiest pop-up restaurants, the Real Wisconsin Cheese Grill, at the State Fair held in August.

Sixteen Foremost Farms employees also volunteered at the cheese grill, where butter from the Foremost Farms Reedsburg plant was melted, slathered on bread and grilled with melty cheddar or Swiss cheese. The cheese grill station sold an average of about 3,500 sandwiches to fairgoers each day. A dairy cooperative, Foremost is owned by approximately 1,000 dairy farmers in Minnesota, Wisconsin, Illinois, Indiana, Iowa, Michigan and Ohio.

AgSource's Kevin Beckard awarded Certified Crop Advisor of the Year honors

Kevin Beckard, GPS-NMP Project Leader at AgSource, is the 2022 Wisconsin Certified Crop Advisor of the Year. The Wisconsin CCA of the Year award recognizes a member who has shown dedication and exceptional performance as an agronomist in Wisconsin.



Since 2009, Beckard has offered his expertise in nutrient management planning to AgSource clients, successfully combining sound agronomic recommendations with laboratory data to develop thoughtful management solutions. Annually he writes over 70 plans for farmers across Wisconsin. Of those, 22 are larger, more complex permitted operations.

CoVantage earns high honors from top industry analysts

Forbes named CoVantage the top in-state credit union in Wisconsin in June, 2022, earning the highest rating of all credit unions in the nation. Forbes surveyed 26,000 people in the U.S. about their

banking relationships, with scoring based on overall recommendations and satisfaction, as well as five additional categories: trust, terms and conditions, branch services, digital services, and financial advice. And, for the fifth consecutive year, CoVantage was ranked in the top 100 best performing credit unions in the country by S&P Global Market Intelligence. S&P, which ranked CoVantage 79th, determined the ranking based on several factors such as member growth, well-managed operating expenses, and low delinquency.

In addition, according to leading industry research firm Callahan & Associates, CoVantage ranked #3 out of 4,955 credit unions in the nation in 2022 for providing value to members in the form of great rates and no fees. CoVantage has ranked in the top one percent each year since 2006.

Headquartered in Antigo, Wis., CoVantage has branches in Wisconsin, Michigan, and Illinois,

MN Legislative Update

by **David Larson** Cooperative Network Government Affairs Director-MN

In 2022, Cooperative Network had a successful year advocating for its members at the Minnesota Capitol. Five specific policy items deserve to be highlighted: Agricultural Chemical Response and Reimbursement Account (ACRRA) Cap Increase, Drought Relief Package, Cooperative Development Grants, Broadband Funding Package, and UI Trust Fund and Frontline Worker Pay Deal.

Cooperative Network championed legislation to increase the 20-year-old ACRRA cap from \$350,000 to \$550,000 for eligible agricultural chemical spills and incident clean-up costs. This was a multi-year effort that began in 2021 when Cooperative Network worked with the legislature to pass language that required the Department of Agriculture to create a report to evaluate if the ACRRA cap has kept up with inflation. The study determined that on inflation alone, the cap needed to be increased to keep up with rising costs.

Due to the extreme drought conditions during the 2021 growing season, farmers experienced increased difficulties and expanded costs throughout the year. Cooperative Network, along with many in the agriculture community, worked with the legislature to create the Agriculture Drought Relief Program and appropriate \$8.1 million to the program for farmers. This equated to reimbursements of up to \$7,500 for farmers for expenses incurred during the drought. We also advocated for an additional \$2.5 million for the Rural Finance Authority's Disaster Loan Account to help farmers in future disaster situations.

Cooperative Network worked with the Minnesota Department of Agriculture and the legislature to establish a grant program to help finance new cooperatives for agricultural purposes, such as operating a processing facility or marketing an agricultural product or service. These grants can be used by individuals seeking to form a co-op for anything from product development to site analysis for a potential future facility. A core tenet of the

cooperative community is to help and grow new and future cooperatives, and any grant of this nature will continue to be a priority for Cooperative Network.

In 2021, the state legislature appropriated \$70 million to the Border-to-Border Grant Program for the biennium. Also, Congress appropriated a minimum of \$110 million to each state for broadband, with more available via grants. In 2022, Cooperative Network was part of a coalition asking for an additional \$50 million, which was appropriated to the Border-to-Border Grant Program, as well as an additional \$60.7 million in federal funds, which were directed to broadband infrastructure programs. With the latest investment, the state is guaranteed to match all of the previously allocated federal funds, which would equate to at least \$210 million in total funds.

In April, Cooperative Network advocated for the legislature to make a deal on two key items: Unemployment Insurance (UI) Trust Fund replenishment and Frontline Worker Pay bonuses. This legislation fully replenished the UI Trust Fund at \$2.7 billion so businesses would not bear an unnecessary payroll tax increase. It also provided \$500 million for bonuses to workers whose job put them at greater risk of contracting COVID-19. These bonuses were received by over one million Minnesotans last fall.

In 2023, Cooperative Network will have some new issues of focus, as well as some from the past that will require renewed attention. The 2023 legislative agenda so far includes: negotiating a potential Grain Indemnity Fund that doesn't harm cooperatives; supporting more funding for broadband to continue positive momentum from 2022; negotiating a Low Carbon Fuel Standard that doesn't harm cooperatives; maintaining a property tax exemption for attachments to utility distribution lines; and creating a Financial Literacy curriculum for K-12 students. With a new legislature, this is likely just the beginning of what policy items Cooperative Network will be working on in 2023.

WI Legislative Update

by **Jennifer Wickman** Cooperative Network Government Affairs Director-WI

Last session resulted in numerous positive outcomes for Wisconsin cooperatives, with Cooperative Network pleased to support legislative "wins" ranging from increased export programs for agriculture, to support for cooperative development through a grant program administered by the Wisconsin Economic Development Corporation. This session we hope to build on past successes, as well as finally see passage of an important tax repeal: Wisconsin's Personal Property Tax.

Here is a run-down of our 2023 legislative priority list:

Personal Property Tax – Wisconsin, alone among our neighbors, has an unfair and antiquated business tax that hinders business expansion and job creation. With the current budget surplus, we've never been in a better position to eliminate this \$200 million-per-year tax and put those funds back into Wisconsin's economy. Legislative leaders from last session have indicated this is a top priority for the new session. Additionally, the coalition to repeal the tax has reformed and is meeting with top leaders.

Broadband – Cooperatives are doing our part to bring broadband to rural Wisconsin. In fact, cooperatives account for the majority of grants awarded in the recent \$100 million American Rescue Plan Act (ARPA). However, there are still more than 600,000 households in the state that do not have high speed internet. Cooperative Network will push for continued funding of Broadband Expansion Grants through the Public Service Commission. This will remain a top priority until that "last mile" of infrastructure is installed.

Workforce Development – The biggest issue currently facing cooperatives, in all sectors, is a lack of workers. This will be a key focus for Cooperative Network, especially during the state budget process. We support various strategies, including driver licenses for guest workers, expanded apprenticeship programs, tax incentives for recent University of Wisconsin

System graduates to stay in-state, and more state support for workforce housing, childcare and training. A recent study by Forward Analytics (the research arm of the Wisconsin Counties Association) projects that if current trends continue, Wisconsin's aging population will largely "retire in place." That means by 2030 we could need 130,000 new workers and housing for them as well. More cooperative housing should be part of the solution.

Cooperative Development – In 2020, the Blue-Ribbon Commission on Rural Prosperity issued a report saying cooperatives are an integral and vital part of Wisconsin's economy, especially in rural areas. As a direct result, a cooperative development grant program was created, to be housed in the Wisconsin Economic Development Corporation. The \$200,000/year grant program funds feasibility studies for forming cooperatives and has resulted in interest being shown in the startup of cooperatives in many sectors of the economy, ranging from meat processing to rural housing to childcare. Re-authorization of the program, which allows up to \$50,000 per awardee, will further support cooperatives.

Cooperative Tax Structure – Cooperatives are non-profit member-owned entities which pay income tax at the member level. To state it differently: money flows through the cooperative and on to patrons, leaving no margins to be retained as profit by the cooperative. This is a long-standing tax status, first established in the United States Revenue Act of 1891. Unfortunately, over the last few legislative sessions, bankers have complained that Wisconsin credit unions enjoy an unfair advantage because of their cooperative tax status. We strongly disagree. Credit unions are a small but mighty member-owned part of the overall financial services market in Wisconsin. Credit unions provide vital lending opportunities, especially in rural Wisconsin. Cooperative Network will defend their cooperative tax status as well as the overall cooperative business model as it is time-tested, and beneficial to Wisconsin's economy.

Washington Island Electric Cooperative Saga

From disastrous submarine power cable failure
to installation of a first-class fiber optic network

by **Rick Hummell** Cooperative Network Communications Specialist

What started as a catastrophic underwater power cable failure in June, 2018 is culminating years later in an unmistakably positive outcome for tiny Washington Island, its residents, businesses and visitors, and the Washington Island Electric Cooperative (WIEC).

An ironic windfall to the cable failure sees Washington Island transitioning from experiencing some of the poorest internet service in northeastern Wisconsin to having some of the fastest, most reliable service anywhere thanks to the installation of a new fiber optic network available to every home and business.

Located off the tip of the thumb-shaped Door County peninsula where Green Bay (not the city, *the bay*) and Lake Michigan meet, the nearly 25-square-mile Washington Island is separated from the peninsula by a five-mile wide strait known as Death's Door, aptly named due to the many shipwrecks there.

The remote island, known for its beaches, hiking trails, lavender fields and rustic ambiance, draws tens of thousands of visitors annually, mostly from late spring to fall, with most people going to and from the island via a popular ferry service crossing the strait. The latest census says the island has 710 residents, although many leave for the winter.

The only power provider to the island is the cooperative, which according to longtime WIEC Manager Robert Cornell, has nearly 1,100 meters, including about 950 residential and 150 commercial meters.

Prior to World War II, only a handful of buildings on the island had electricity,

powered by diesel generators. Incorporated in 1940, WIEC began installing power lines for a future island electrification project, but those efforts were suspended by the war. At war's end, the project resumed and soon afterwards the cooperative marked a major milestone when it acquired its first diesel generator capable of powering the fledgling power grid, a used unit purchased from the Waushara Electric Cooperative.

A succession of diesel generated units continued to power the island until 1981, when the next major milestone occurred – the installation of an underwater power cable stretching approximately 23,000 feet from the mainland to the island.

In 1996, the co-op purchased two new generating units capable of carrying the island's entire power grid if ever needed.

As fate would have it, they were.

Ice shoves cause submarine power cable to fail

At 2:22 a.m., June 15, 2018 the 37-year-old power cable failed due to years of accumulated damage caused by ice shoves. Power was restored to the island by the two aforementioned diesel engines at 2:48 a.m. and troubleshooting the problem began.



Ice shoves occur when offshore ice breaks up and wind pushes it towards shore. Ice sheets pile on top of each another and can reach heights of 30 to 40 feet or more. The water where the cable fault occurred is approximately 35 feet deep, just off the northwestern tip of Plum Island, a small uninhabited island south of Washington Island where ice shoves occur.

Subsequent underwater examination by divers with a Michigan-based contractor specializing in submarine cable deployment, repair and recovery



revealed gashes in the cable caused by cumulative damage caused by the grinding of the cable between the lake ice and the rocky bottom.

“Once the fault was located, we brought in repair vessels to raise the damaged cable to the surface and splice in a new section of

cable for a temporary fix,” said Cornell.

“Twelve days later, after running on engines, we went back on the repaired cable. During those 12 days, one of our engines stuck a valve and we were forced to run on one engine until we could get a rental unit that we had reserved to the Island and connected.

“This was precarious to say the least,” said Cornell, noting the entire island was powered by only one diesel engine for a three-day period until the backup arrived.

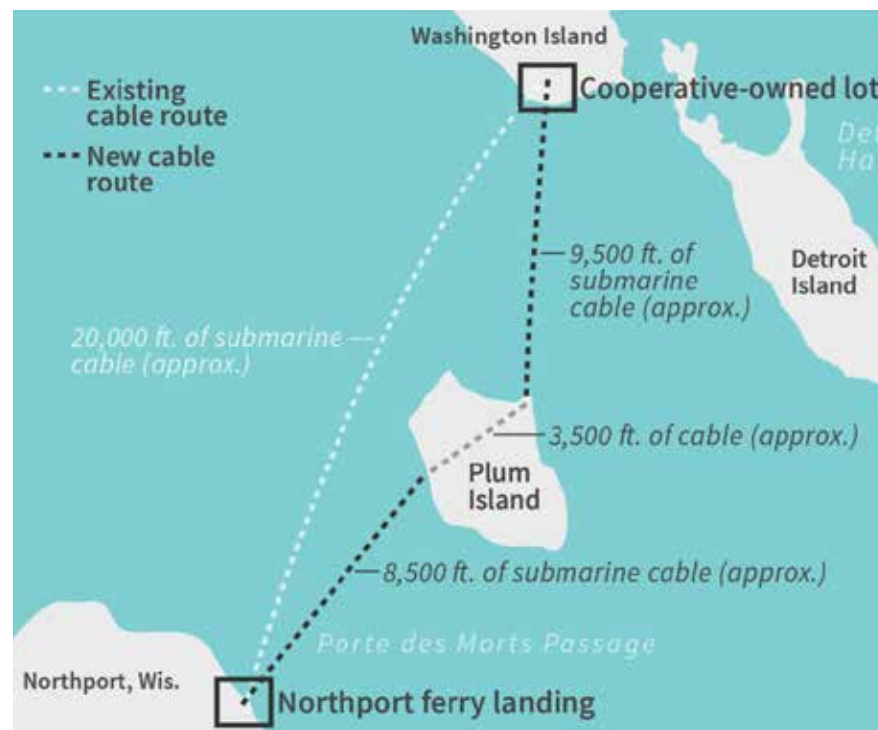
In an email to co-op members communicating what happened, Cornell said the “40-foot section of cable that was removed shows clear evidence of ice damage along its entire length and it can be reasonably assumed that this damage continues for an unknown distance on cable left in place.”

New route chosen for replacement power cable

Knowing it was only a matter of time until the cable would fail again, Cornell said the cooperative made the decision to replace the entire cable and reroute it to a different area of the strait not subject to ice shoves. The new route would run the cable under water from the tip of the mainland to Plum Island (about 8,900 feet), where it would be buried across Plum Island (about 3,600 feet), and then laid underwater again to Washington Island (about 9,300 feet), a total distance of nearly 22,000 feet.

In addition to avoiding the area of the strait subject to ice shoves, an advantage to having the new cable installed in three sections was it would be easier to replace just one section in the event of a cable failure.

At each shore landing the new cable was installed in heavy-walled 10-inch conduit buried 3-4 feet beneath the surface out to a water depth of 20-25 feet, which further protects the cable and makes replacement with minimal digging in the future possible.



Map shows approximate route and distances of the old and new power cable.

In June, 2018 the cooperative arranged to purchase the new underwater cable from Kerite, a Connecticut-based company whose products include high voltage and specialty cable for applications such as underwater use.

While waiting several months for the cable to be manufactured and shipped cross-country, the co-op worked on getting permission to cross Plum Island, an issue complicated by the fact that the uninhabited island is part of the Green Bay National Wildlife Refuge, and also includes an out-of-service Coast Guard life-saving station and boathouse listed on the National Historic Register. It is the last surviving Duluth-style Life-saving Station on the Great Lakes, with the buildings and lighthouse constructed in 1896.

“This process, to cross a National Wildlife Refuge with buildings and roads that are listed on the National Historic Register, under normal circumstances could take over two years for approval. The folks at USF&W understood our urgency and . . . made the work permit part of the process happen in about 3-4 weeks,” Cornell wrote to co-op members. “They have been fantastic to work with and should be commended not only for their stewardship of Plum Island, but for seeing our need and understanding that we would not be disturbing ground that had not been disturbed many times over during the years.”

As it turns out, installing the power cable across Plum Island also helps the wildlife refuge in the long-run because the co-op agreed to run power lines to island’s historical structures. “It really was a win-win,” said Cornell.



A crew installs the new underground power cable across Plum Island.



Contractors prepare to return spliced/repared cable to the bottom of Death’s Door Passage.

While waiting for the power cable to arrive, contractors dug trenches across the island, which were filled once the cable was laid in. Work to install the power cable across the island took place in October, 2018.

Installation of the underwater power cable followed in December and following several weather delays, contractor and supply-chain delays, equipment malfunctions, repairs and testing, the “new” power cable went into service on Feb. 8, 2019.

Fiber optic cable gets green light as solution to internet reliability issues

Unrelated to the power cable issue, Washington Island has historically experienced significant reliability issues with internet connections because the island’s sole link to service was a single microwave tower. The island has long been plagued with insufficient internet speeds and disruptions to landline services and even long-term internet outages, including an outage in 2019 that lasted nine days.

“Our efforts towards giving our members better services have been long-standing,” said Cornell, noting that as far back as 2015 the co-op had discussed partnering on a submarine fiber optic cable with NSight subsidiary Cellcom, a wireless/broadband company that had been working on a multi-year project to install fiber optic cable throughout “mainland” Door County, with the route initially stopping short of traveling underwater to Washington Island. Known as “middle-mile” fiber, the base infrastructure is necessary to connect the fiber optic cable to homes and businesses.



Leftover cable from the original 1981 power cable installation was used as a temporary replacement for a section of failed cable.

Although discussions took place, "It was just not economically feasible and the idea more or less died," said Cornell.



Workers wind leftover cable on a reel to take out for the temporary repair.

When the submarine power cable failed and the cooperative made the decision to replace and reroute the entire cable, WIEC reached out to NSight again about the possibility of partnering on a project involving attaching a fiber optic cable to the soon-to-be deployed submarine cable.

Ultimately, said Cornell, WIEC and NSight were "back on board as partners. This partnership culminated in a grant application with the (Public Service Commission) that resulted in a \$104K grant, with a \$104K match from NSight."

All was not smooth sailing, however, as during the process of laying the underwater power cable with the attached fiber optic cable, more problems occurred, including a fault in the fiber cable as well as a section of the cable separating from the power cable. With winter approaching, this led to the co-op delaying laying a section of the fiber cable alongside the power cable until spring, 2019.



A section of the old submarine power cable.

When the fiber optic cable issues arose, WIEC entered into a relationship with Door County-based Quantum Technologies, a company which served as a consultant on the fiber cable issue and ultimately was brought on board to connect Washington Island's homes and business to a new fiber optic network. Door County-based Quantum Technologies, working in conjunction with WIEC staff, started building out the network in April 2021, a labor-intensive process which involves running a fiber cable along the island's roads to each address, either underground or across power poles.

In October 2022, Quantum began connecting the island's first homes and businesses to the new



A cabinet with both the old cable and new cable is prepped on Washington Island.

fiber optic network, the first of a five-phase project expected to conclude in 2027.

"In the current grant funded area 314 homes, businesses and anchor institutions will be connected and we hope to complete these 314 by the end of 2023," said Cornell. "We are making good progress in spite of some delays, but will soon get to the point where we will need to take a break due to cold weather." As of the first week of January, 2023 about 120 drops had been installed.

"This is a really exciting project," Nathan Drager, owner of Quantum Technologies, said in a press release. "When we're done, Washington Island will go from having the worst internet service in Door County to having the newest, best, and fastest network in all of Northeastern Wisconsin."

Drager said a fiber optic internet connection is the fastest way to access the internet. According to Quantum, to make a comparison, downloading a 2-hour long, 4.5 gigabyte (GB), high definition movie takes around 38 seconds if you have a 1,000 megabyte per second (Mbps) fiber connection. With a cable connection that same download takes around 6.5 minutes -- with a DSL connection, nearly 26 minutes.



Workers splice new fiber optic cable on Washington Island.

Underwater electric cable project propelled by cooperative 'horsepower'

by **Rick Hummell** Cooperative Network Communications Specialist

"We have a lot of horsepower in our corner," Washington Island Electric Cooperative (WIEC) Manager Robert Cornell wrote in a July, 2018 message to co-op members about efforts to replace the underwater cable powering the island.

Just how much horsepower was evidenced in the following months, with WIEC receiving support from a vast array of local, state and federal officials and legislators, key contracting partners, Wisconsin's two dozen electric cooperatives, and other organizations committed to protecting and promoting cooperatives such as the National Rural Electric Cooperative Association (NRECA), the Wisconsin Electric Cooperative Association (WECA), and Cooperative Network (CN).

Co-op becomes 'Poster Child' for federal Rural Act legislation

Along the way, the cooperative became a "Poster Child" whose story helped lead to the December, 2019 passage of the "Rural Act," a federal bill that in effect fixed a problem created in 2017 when Congress passed the Tax Cuts and Jobs Act. The earlier Act, which redefined government grants to co-ops as income rather than capital, made it difficult for many co-ops to abide by the 15 percent limit on non-member income to keep their tax-exempt status. The new Rural Act once again exempted grants from being counted as income and was retroactive to the 2018 tax year.



WIEC General Manager Robert Cornell (right) and WIEC board members meet with Representative Joel Kitchens (second from right), a key supporter of the power cable replacement project.

The Tax Cuts and Jobs Act would have created a financial hardship for the WIEC, which received \$600,000 in state disaster aid as well as \$2 million in state funding towards the approximate \$4.1 million cost of the power cable repair/replacement project.

"When federal tax reform occurred (in 2017), an unintended consequence was that grant funding, disaster aid and similar non-earned revenue for a cooperative was applied as direct revenue and this would affect the 85/15 requirements to maintain our non-profit status," said Cornell. "We actually became the Poster Child for what became The Rural Act, which would classify such revenue as 'contributions to capital' and therefore outside the 85/15 requirements. We were able to secure co-sponsorship of this legislation with every member of Congress and both senators in the state and as a national effort of NRECA."

Cornell, who traveled to Washington to testify in support of the Act, said despite receiving national attention and support and eventually a super majority of co-sponsors in the House and a majority in the Senate, the bill didn't make it out of committee. Just before Congress was set to adjourn, however, the bill was signed into law as part of a continuing spending resolution.

"Had this not passed, we would have lost our non-profit status, had to pay income tax on the grants and budgetary and emergency considerations and probably not been able to regain our non-profit status for a couple of years," he said.

Access to potential state or federal assistance actually was kickstarted in mid-July 2018 when Governor Scott Walker issued a disaster declaration directing state agencies to assist with repair and mitigation activities arising from the damage to the underwater power cable.

That declaration led to the cooperative becoming eligible for just over \$600,000 in State Disaster Recovery funds, one of the project's first successful funding efforts.

"With Governor Walker's disaster declaration, we were able to, using the County because cooperatives were not eligible to be disaster aid applicants, get roughly \$600k in disaster aid," said Cornell, adding the cooperative also received \$208,000 in matching funds.

Back to the drawing board following election of new governor

"We then began discussions with Governor Walker's office about being included in the State Budget and he and his staff were agreeable to it, but would not begin working on the budget until after the (November, 2018) election. He was defeated by Governor Evers and we had to start all over again," said Cornell.

"We were not having much luck getting into his office to discuss the issue until we had a discussion with Cooperative Network's CEO Dan Smith. He was able to get us in and we had initial discussions with (Governor Evers staff) and this culminated in the governor including us in his budget proposal."

Through the lobbying efforts of groups such as Cooperative Network and the Wisconsin Electric Cooperative Association – whose 24 member cooperatives all wrote letters of support to their respective legislators – the Wisconsin Legislature's powerful Joint Finance Committee (JFC) left intact Governor's Evers biennial budget appropriation of \$2 million for WIEC (\$1 million for each year.)

"After all this effort, not only did the JFC leave our issue in exactly as Governor Evers included it in his (budget), but they added a clause that makes electric cooperatives directly eligible for disaster aid rather than, as we did, have to go through a government entity such as the township or county," said Cornell.

Cornell said efforts to assist the cooperative drew widespread bipartisan support from both Governor Walker and Evers, as well as key support from State Senator Andre Jacques and Representative Joel Kitchens, whose districts include Washington Island, as well as State Senator Howard Marklein, who sits on the JFC and helped shepherd the issue through the budgeting process.

Cornell noted that the WIEC's "board and staff were incredibly calm and supportive through a serious disaster, with a lot of unknowns, and the board has seen the benefit to the members and community as a whole of moving forward with what ends up being not only a quality of life project for our members but also a non-tourism based economic development project that will help the community diversify a bit and not be as dependent on summer tourism."

He said the support of organizations which support cooperatives such as Cooperative Network and the Wisconsin Electric Cooperative Association has been invaluable.

"Cooperatives are generally not competitors,' he said, "but rather collaborators who not only look out for the well-being of their own members, but also realize that together we are stronger and can make things happen. I can guarantee if we were a private concern without our supporting organizations and fellow cooperatives standing behind with their support, we would not have been able to turn a disaster into what we have."

Cooperative Governance Research Initiative generates longitudinal data

by **Rick Hummell** Cooperative Network Communications Specialist

A survey launched by the University of Wisconsin Center for Cooperatives (UWCC) to “generate robust, longitudinal data empowering cooperatives across sectors to reflect upon and improve their governance structures, processes, and culture” yielded a wide range of insights and trends among cooperatives, as well as a strong desire for more of this kind of data, according to the UWCC.

Survey respondents provided comments and feedback on a wide range of topics including board diversity (age, gender, race); elections and term limits; board member education, training and evaluation, the role of the board versus management; the form and content of member participation; and changing social norms.

The survey, launched in late 2021 and with its findings released in August 2022, was developed by the UWCC to collect data for the UWCC’s Cooperative Governance Research Initiative (CGRI), a multi-year research project aimed at filling an “un-meet need” — specifically the lack of cross-sectional, longitudinal data related to cooperative governance.

According to UWCC Executive Director Courtney Berner, “Most of the data that has been collected (previously) on cooperative governance is limited to a specific industry or type of cooperative. The lack of cross-sectoral data on cooperative governance and the desire to give cooperatives data and tools that help them reflect upon and improve their governance practices were the motivations for launching this initiative.”

Berner said, “It is challenging to collect cross-sectoral data for several reasons — chief among them is the lack of a comprehensive list of cooperatives in the

U.S., which makes it difficult and time-intensive to build a representative sample of cooperatives to survey.”

Plans call for the survey to be re-distributed every two to three years so patterns can be examined over time.

The initial survey was distributed to 4,429 co-ops across the United States and was met with a robust return rate.

“Our first CGRI survey yielded enthusiastic responses from 500 cooperatives, capturing substantial diversity in terms of industry, type, size, age, and location and creating a baseline for the range and frequency of cooperative governance practices and strategies to meet member needs across sectors,” said Berner.

“The goal from the outset has been for this research to be longitudinal, which will enable us to examine patterns over time,” she said. “To that end, we will use the same survey instrument in 2024, perhaps with a few changes based on what we learned through the first wave of data collection. We are also exploring the possibility of including a section on a special topic each time we run the survey to collect data on a timely issue.”

According to the report, for cooperatives, “governance” refers to the “structures and processes by which members control their enterprise and participate in decision making.”

For most cooperatives, members elect a board from the membership to govern on their behalf, and a Chief Executive Officer or similar manager approved by the board runs the cooperative’s day to day operations.

Berner said the survey’s overarching findings “reflect many of the challenges and opportunities we hear cooperative leaders discussing. Fortunately, we now have some data to back up the discussion and anecdotes we hear. Our hope is that our data will allow us to dig into some of these trends and issues more deeply and track changes over time as we collect future waves of data.”

(Established in 1962, the University of Wisconsin Center for Cooperatives is the only U.S. university-based center that studies and supports all forms of cooperative business.)

KEY TAKEAWAYS FROM THE COOPERATIVE GOVERNANCE RESEARCH INITIATIVE REPORT

- On the whole, participating cooperatives believe it is important for members to see their faces reflected in the board and that diversity, in multiple dimensions, is a key component of building an effective board. For many, increasing board diversity in terms of age, gender, ethnic, and racial composition is an ongoing journey and priority in the next three years.
- Cooperative boards face real dilemmas as they strive to balance representation and expertise. Thinking more carefully about practices related to contested elections, term limits, and board recruitment could help many cooperatives both preserve institutional knowledge and welcome new perspectives.
- Developing a culture of lifelong learning is critical for long-term organizational success. Expanding board education and evaluations provide many opportunities for cooperatives to foster a culture of learning and growth through more deliberate reflection and ongoing multidimensional training.
- The commonly held belief that the board develops strategy and management carries it out is increasingly being challenged. The survey findings offer insights that could help reframe how we think and talk about the role of the board versus management.
- The CEO plays an important role in a cooperative’s governance system – they provide vision and institutional knowledge, engage with members, and support the board’s functioning in myriad ways. Overall, cooperatives with CEOs who value the cooperative model and engage with the board as a worthy partner are more likely to have healthy governance systems.
- COVID-19 and changing social norms have created unique challenges for building a thriving culture on cooperative boards. Despite these challenges, cooperative boards are finding ways to connect and strengthen their social ties by focusing on essential interpersonal dynamics and activities that cultivate and sustain them.
- The form and content of member participation varies across sectors, but most member concerns are connected to the fundamental question of whether the cooperative’s goods and services, financial decisions, and overarching strategy align with member needs, desires, and values.

The report notes: “Our biggest takeaway from the launch of CGRI is that there is a hunger for this kind of data in the cooperative community and a desire to translate the data into action. We hope this report prompts some useful reflection and inspires (cooperators) to join UWCC in an ongoing conversation about how cooperatives can achieve their potential as member-owned and democratically controlled organizations.”

Read the report: <https://uwcc.wisc.edu/cooperative-governance-research-initiative/>

Minnesota newspaper editors showcase history of cooperatives in exhibit

Two rural newspaper editors in 2022 created an exhibit featuring 150 photographs and narratives telling the story of 30 different cooperatives in Minnesota. The project was part of the 100th anniversary of the Capper-Volstead Act, often referred to as the “Magna Carta” of the cooperative movement.

by Tom Cherveney West Central Tribune

Residents of west central Minnesota may not give it a lot of thought, but cooperatives provide many of the goods and services that are central to their daily lives. Filling up a vehicle at the local Cenex, picking up a jug of Land O’Lakes milk, or flipping the light switch on at a home powered by the local cooperative power association are all done without a thought to what made those little reliances possible.

But two editors of rural Minnesota newspapers give cooperatives a lot of thought, and are now telling the story of why others should, too, shifting the lens to the reasons why cooperatives were founded and the people behind them.

Jessica Stolen-Jacobson and Scott Tedrick created an exhibit featuring 150 photographs and narratives about 30 different Minnesota cooperatives. Their exhibit tells the story of what makes cooperatives special.

The exhibit is in recognition of the 100th anniversary of the signing of the Capper-Volstead Act, which is often called the “Magna Carta of Cooperatives.” Andrew Volstead, one of the authors of the law, was a congressman from Granite Falls, Minn. and an advocate for farmers. The legislation he co-authored with Arthur Capper, of Kansas, provided farmers with exemptions from antitrust laws that were preventing them from forming associations to market their products or buy the goods they needed.

Stolen-Jacobson is the editor of the *Granite Falls Advocate Tribune*, *Montevideo American News*



Ciera Jobgen holds a photograph of her grandfather at work at the Farmers Publishing Company newspaper in Bagley in its early days. He died on the job. It is the only cooperatively-owned newspaper in Minnesota. Contributed / Scott Tedrick

and the *Tri-County News* in Cottonwood. Tedrick is a former editor of the *Advocate Tribune*, and current editor of the *Renville Register* in Olivia. A Legacy grant awarded by the state arts board allowed them to devote many hours to visiting and photographing the member-owners of 30 cooperatives in the state.

The 30 cooperatives they feature are but a slice of the 1,023 cooperatives active in Minnesota. There are more than 29,000 active cooperatives throughout the United States.

They wanted to show some of the variety of what cooperatives do, and found plenty of it. Cooperatives are created to address all manner of issues and needs – from a book store launched by anarchists (May Day Books) to an arts cooperative

(Black Table Arts) committed to helping Black artists in the Twin Cities to a senior housing cooperative (Gramercy Park) in Rochester.

Stolen-Jacobson and Tedrick traveled many rural roads to explore the wide-ranging roles of cooperatives in farm country. The Farmers Publishing Company in Bagley has been publishing a weekly newspaper in the community since 1918. The Tyler Lumber Company has been supplying the materials to build homes and farms in a large swath of the southern Minnesota prairie since 1903, or just one year after Volstead was first elected to Congress.

Volstead’s focus in the legislation was on farmers, and Stolen-Jacobson and Tedrick found lots of examples of farmers putting the new law to good use. The Cottonwood Cooperative Oil Company, founded in 1921, was the state’s first oil cooperative.

Locally, west central Minnesotans are familiar with the many farmer cooperatives that market grain or process crops, such as the Farmward Cooperative and Southern Minnesota Beet Sugar Cooperative. Land O’Lakes, Bongards and the Chippewa Valley Ethanol Company are also among the cooperatives which have seen growth and success after humble beginnings.

Renville-Sibley Cooperative Power Association, headquartered in Danube, delivers electric power to just over 1,900 accounts throughout Renville County, and also to households in Sibley, Chippewa, Kandiyohi, Redwood and Nicollet counties. Electric cooperatives serve more than 1.7 million Minnesotans and supply just under 23% of the state’s electricity,



Michael Kent with Renville-Sibley Fiber Cooperative holds a lighted fiber strand. Cooperatives provide many of the goods and services that are central to people’s lives. Contributed / Scott Tedrick

according to figures from the Minnesota Rural Electric Association.

Both journalists said they returned from their visits with a

Jessica Stolen-Jacobson and Scott Tedrick created an exhibit of 150 photos and narratives of 30 different Minnesota cooperatives as part of the 100th anniversary of the Capper-Volstead Act. They are shown at the Andrew Volstead House in Granite Falls.



Tom Cherveney / West Central Tribune

sense that cooperatives will continue to be a big part of the region’s future. Craft breweries, a cooperative to market the perennial grain known as Kernza, and a cooperative devoted to building a rural, fiber-optic system for broadband are just a few examples of more recently founded cooperatives.

“There’s an incredible sense of pride and ownership in it,” Tedrick said, adding, “that sense of service to the community.”

The founders of the cooperatives they visited all shared a passion and motivation to create economic enterprises that also create a better community.

“It’s hard not to fall in love with people driven by that,” said Tedrick.

They also credit the cooperatives they visited with being true to the Seven Principles of cooperatives, which call for open and voluntary membership and democratic member control.

The full exhibit includes photographs and short narratives on the individual cooperatives. It opened at the K.K. Berge Art Gallery and Bluenose Gopher Public House, both in downtown Granite Falls. Stolen-Jacobson and Tedrick are hoping to bring the exhibit to other venues, and have also produced a digital version for viewing by use of this QR code.

(Reprinted with permission from West Central Tribune, Willmar, Minnesota.)



Cooperative Network History

The largest statewide cooperative trade association in the nation, Cooperative Network has a proud history of bringing together and strengthening the voice of cooperative businesses as a two-state trade association.

The Minnesota Association of Cooperatives (MAC) was founded in 1945 to advance public perception of the cooperative movement and to advocate the interests of member-owned and controlled businesses. The impetus for the association came from several regional cooperatives who wanted a common front to counter legislation proposed by the National Tax Equality Association that would have changed the tax status of cooperatives.

The Wisconsin Federation of Cooperatives was formed in 1969 by two politically divergent organizations, the Wisconsin Association of Cooperatives, which served primarily consumer co-ops, and the Wisconsin Council of Agricultural Cooperatives.

MAC entered into a management agreement with its Wisconsin counterpart in 1998. The two organizations became one in 2004 after members voted in favor of a formal unification; it was renamed Cooperative Network in 2009.

Cooperative Network is governed by a board of directors made up of cooperative leaders from both states. Members gather each year to determine legislative and educational priorities.

About the Cooperative Builder Award

Wisconsin and Minnesota have a strong cooperative heritage that includes many people who have committed substantial time and energy to building that history. Cooperative Network's annual Cooperative Builder Award honors individuals who have made outstanding contributions at the local, state, and/or national level to advance cooperative philosophy and ideals.

Nominees are nominated by their cooperative peers, and a committee selects up to three distinguished individuals to receive the Cooperative Builder Award each year. Honorees are celebrated at an evening banquet during the Cooperative Network annual meeting held in November.

Due to the pandemic, Community Builder awards were not presented in person in 2020 or 2021; instead they were presented at Cooperative Network's Annual Meeting held in November, 2022.



Pictured (l-r): Cooperative Network President and CEO Daniel Smith, 2020 Cooperative Builder Award recipients Gary Tomter, Brian Rude and John Ruedinger, and Cooperative Network Board Chair David Johnsrud.



Pictured (l-r): Cooperative Network President and CEO Daniel Smith, Bridget Petersen accepting on behalf of 2021 Cooperative Builder Award recipient Dan Stoltz, 2021 Cooperative Builder Award recipient Leon Pfaff, Cooperative Network Board Chair David Johnsrud, and 2021 Cooperative Builder Award recipient Oscar Olson.



GUIDING YOU
BEYOND THE NUMBERS

Wegner CPAs has a dedicated, expert team that serves cooperative clients exclusively and provides specialized services to help them maintain solid financial footing. View our resources and learn more at wegnercpas.com/industries/cooperatives.

Federally insured by NCUA

“It’s because of WESTconsin Credit Union that I am able to live my dream today.”

Jordann Sorensen,
Tiny Tree Academy

At 21 years old, Jordann was ready to pursue her dream of owning and running her own childcare facility. WESTconsin helped her get started by financing her purchase of Tiny Tree Academy.

Learn more about how WESTconsin provides our members inspiration, resources, and support to achieve their dreams.

Visit westconsincu.org >
About Us > Member Stories

“I can count on WESTconsin Credit Union.”

(800) 924-0022 | westconsincu.org



POWERING WHAT'S POSSIBLE

Great River Energy is a Minnesota wholesale power cooperative, owned by its member-owner cooperatives. We serve communities, not stockholders. Our roots run generations deep.

Together, we light your favorite hideout, your neighborhood and your community.

**We believe power isn't just electricity.
It's possibility.**



greatriverenergy.com