

# COOPERATIVE

# FOCUS

SUMMER 2023

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## Co-op Day at the Capitol

Members lobby legislators in Minnesota, Wisconsin

Q&As with SPIRE, Summit credit union CEOs



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Cooperative Network



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Cooperative Network

'It's like having a professional policy advisor on your team'



by **Sadie Frericks** Cooperative Network Board Chair

Let me start by saying, "Thank you." Thank you for your membership in Cooperative Network and thank you for your engagement, especially with our Co-op Days at the Capitol events during the past legislative session.

Because our membership includes the full complement of cooperatives that touch people's lives – especially in rural areas – Cooperative Network's voice in our capitols is one of the most highly respected.

I recently spoke at a dairy conference about the importance of political advocacy. I personally believe that belonging to an organization like Cooperative Network, which does political advocacy on behalf of its members, is one of the easiest and most effective ways for co-ops to influence policy.

We all have seemingly endless responsibilities tied to keeping our cooperatives running smoothly. I can say the same thing about keeping a farm running. Keeping up with developments in our capitols often falls on the "should do" list instead of the "must do" list. As Cooperative Network members, though, we have our government relations experts keeping tabs on policy for us.

It's like having a professional policy advisor on your team. On our farm, we rely on our agronomist to help us monitor our crops. We rely on our nutritionist to help us monitor our dairy cows' rations. We rely on our co-op and Cooperative Network to help us monitor policy.

And just like our agronomist lets us know when we need to make an adjustment in our fields, Cooperative Network lets us know when we need to take action to influence policy.

I am so grateful that Cooperative Network is part of my co-op's political advocacy team. I hope you, too, find Cooperative Network a valuable part of your co-op's team.

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# In a time of growing individualism, the Cooperative Model is essential



by Dan Smith Cooperative Network President and CEO

The *Wall Street Journal* recently examined the growth of individualism across all parts of America, both personally and professionally. The authors argue that we, as a population, are trending toward individual isolation, where each person embraces his or her own reality and feels little obligation to contribute to the common good.

There are plenty of possible causes for this rise in individualism such as technology, modern communication platforms, changing demographics, and the impact of a worldwide pandemic on how we live our daily lives. Regardless of the cause, it is a fact that churches, civic groups, community organizations, and trade associations all face declining enrollment and engagement in a world where many feel they can go it alone.

While reading the article, I couldn't help but think how "opposite" individualism is to the Cooperative Model and cooperative principles. The definition of a cooperative is "an autonomous association of persons united voluntarily to meet their economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise." In other words, we are better together than alone.

The Cooperative Model holds a strong record of accomplishment earned over time, across nations, in multiple sectors such as energy, housing, agriculture, finance, telecommunications, and more. These accomplishments are the result of the hard work of cooperative members who embraced the Seven Cooperative Principles, committed to the common good, and achieved their goals.

Over the past year, I have been in discussions with cooperative leaders from across the United States on ways to strengthen the Sixth Cooperative Principle, *Cooperation Amongst Cooperatives*. These leaders recognize that cooperatives share a strong common bond, and that the continued vitality of the Cooperative Model requires mutual support and engagement.

Many times during our conversations, other cooperative leaders have voiced their admiration for the role Cooperative Network plays in bringing together cooperatives from a dozen sectors in two states. They recognize the impressive track record Cooperative Network has built over the years, and the need for cooperative collaboration nationwide.

It is common for individuals and families to belong to several cooperatives, each from a different sector, which provide an array of goods and services. The interaction and mutual dependence of cooperatives emphasizes the need for collaboration, communication, and mutual assistance.

I recently heard the manager of an agricultural cooperative question the value of cooperative collaboration. To be blunt, he fails to see why his cooperative should be concerned about other cooperative sectors such as energy, finance, housing, and more. Again, to be blunt, in my mind, he could not be more wrong. His cooperative serves communities across a wide geographic area. Those who live there, who purchase his cooperative's goods and services, provide his cooperative's customer base. What would happen should those communities

not have a robust network of cooperatives to help build communities? Cooperatives rely on strong communities and strong communities rely on cooperatives.

Cooperative Network remains dedicated to the support of the Seven Cooperative Principles. We constantly reinforce the value of cooperatives to policy makers in Minnesota and Wisconsin. Without Cooperative Network's representation of cooperative ideals, our advocacy in the public square, and our support of cooperative governance and principles, the Cooperative Model would be at risk in the new age of individualism.

Just as no citizen stands alone, no cooperative stands alone. Each is one part of the cooperative system. Cooperative Network exists to support and defend that system. In a constantly changing world, in a time of growing individualism, a network of cooperatives working across sectors and across state lines is essential. Cooperative Network is proud to provide that essential support.

## PARTICIPATE IN COOPERATIVE NETWORK'S RESOLUTION REVIEW PROCESS

Members can further engage with Cooperative Network by participating in the organization's resolutions review process this summer. Each year, one third of member-approved resolutions are reviewed, a process designed to guide Cooperative Network's government affairs team in its lobbying efforts on behalf of member cooperatives.

The virtual review is led by Cooperative Network legislative directors David Larson (Minnesota) and Jennifer Wickman (Wisconsin). Existing resolutions are revised and edited, and new resolutions created in response to current issues. All changes are approved by members during Cooperative Network's annual meeting in November.

View current resolutions at:

<https://cooperativenetwork.coop/advocacy/our-resolutions/>

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# Cooperative Network: protecting, promoting cooperative businesses

by **Rick Hummell** Cooperative Network Communications Specialist

Cooperative Network is a trade association exclusively for cooperative businesses operating in Minnesota and Wisconsin – home to the largest concentration of cooperatives in the nation. Providing government relations, education and communication services on a broad range of topics impacting all cooperative businesses, Cooperative Network is known as ‘The Trusted Voice for Cooperatives.’

“Our efforts are focused on ensuring cooperatives have a voice on issues that impact their efforts, and we rally the larger co-op community behind their causes,” said Dan Smith, Cooperative Network president and CEO. “Although we have deep roots in the Midwest, Cooperative Network has achieved bipartisan support for advocacy efforts not only at the State Capitols in Wisconsin and Minnesota, but nationally as well.”

Cooperative Network’s membership includes cooperatives from across 12 sectors: credit unions, dairy, energy, farm credit, farm supply/fuel/grain, food, housing, health care, livestock and genetics, mutual insurance, processing and marketing, and telecommunications. They all have in common the fact that they are governed by the Seven Cooperative Principles, are member-owned, and are regulated by state statutes.

Cooperative Network advocates for and educates the public, the media, and legislators about the importance of cooperatives. Through events during the year, such as Cooperative Network’s Annual Meeting, Co-op Day at the Capitol, webinars and seminars, Cooperative Network members come together to discuss the unique challenges faced by cooperatives, determine priorities, and advocate for

cooperatives and the Cooperative Business Model. During these events, individuals also build relationships with others who understand why cooperatives are important for communities, both rural and urban.

## ADVOCACY

“Cooperative Network’s respected government affairs professionals have many decades of experience in private sector lobbying and government service,” said Smith. “Their deep connections with decision-makers throughout government and stakeholder groups create the basis for success. We serve as advocates and as a forum for cross-sector collaboration, with our staff, board, committees and events providing valuable opportunities for cooperative members, managers and directors to connect and share best practices.”

Smith said Cooperative Network’s Resolutions Committee “allows our members to establish our positions on state and federal policy. The committee annually reviews and recommends any changes to Cooperative’s Network’s positions, which are available for viewing online.”

## EDUCATION

Cooperative Network actively engages in educating cooperative members, new board directors, the public and the media about the Cooperative Business Model and cooperative philosophies and ideals, including the Seven Cooperative Principles.

The organization actively promotes the national October is Co-op Month campaign, including drafting Co-op Month proclamations signed by the governors of Minnesota and Wisconsin which are shared with the media and on Cooperative Network’s social media platforms.

The Cooperative Network Annual Meeting features co-op and industry speakers, networking opportunities, action on resolutions, as well as board elections. Presented during the Annual Meeting, Cooperative Network’s Cooperative Builder Award honors individuals who have made outstanding contributions at the local, state, and/or national level to advance cooperative philosophy and ideals.

## MEMBER RESOURCES


Cooperative Network strives to provide its member cooperatives with a number of services geared toward public relations and communication, including an online collection of nearly 2,000 professional photos taken in coordination with member cooperatives. The royalty-free images are available as a members-only benefit.

Two electronic newsletters (*Co-op Connection* and *Capitol Connection*), provide members with up-to-date information on member services and news.


In response to the growing demand for cooperative education programming, Cooperative Network last year released a Director Education Video Series, six tutorial videos, available only to members, offering instruction to cooperative board directors and staff on subjects of importance. Topics include: Toad Lane and the Seven Cooperative Principles; Best Practices in Cooperative Governance; Planning for Tomorrow: Cooperative Success and Talent Recruitment; Cooperative Finance: Understanding the Numbers; Roles and Responsibilities for Cooperative Directors; and Best Practices in the Cooperative Board Room.

In January 2023, Cooperative Network published the inaugural issue of *Cooperative Focus*, a biannual magazine highlighting member news and initiatives, as well as legislative updates. Earlier this year, Cooperative Network added a new Export Expansion Resources webpage to the Cooperative Network website listing resources and information for cooperatives interested in learning how to export or expand their exporting portfolio.

In August, Cooperative Network will host a virtual Co-op Communicators Workshop at which attendees can learn about marketing the cooperative difference, member education and outreach, media relations, and working with different generations.




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# What is a cooperative?

A cooperative or co-op is a business that is owned and democratically controlled by the members who use its services. Cooperatives are found across the U.S. in nearly every sector of the economy.

Members who use the cooperative **own** their co-op because they finance it in a variety of ways. They share in both the business risks and the business profits. Each cooperative determines the level of financial participation required to establish membership status in the co-op.

Members democratically **control** their cooperative by exercising the voting rights that come with membership. Each member is typically entitled to one vote.

Members **benefit** from the cooperative based on their use of the co-op. All or part of a cooperative's profits may be distributed proportionately, based on each member's use, or patronage, of the co-op.

## Why People Start Cooperatives

The Cooperative Model can be an effective way for people to meet a common set of economic or social needs. Often a cooperative is organized in response to some adversity – individual farmers face falling dairy prices, for example, or a community loses its grocery store. Instead of operating to maximize investment returns, a cooperative operates to maximize member benefit by meeting member needs in a financially sustainable way.

Cooperatives can diversify and strengthen their local economic communities because of their local ownership, control, and operations. Profits tend to remain in the local economy because they are returned to members, or reinvested in the locally based cooperative business. When members patronize their local cooperative, they are supporting employment and business activity in their communities.

Members' active participation in a cooperative can also benefit a community's civic life. The empowering experience of self-determination through cooperation provides a perspective and set of skills that can be applied to other community activities.

## Types of Co-ops

Cooperatives span many different activities and services from childcare to transportation, farming to solar energy, financial services to purchasing school supplies. Cooperatives are owned by their members, which could be consumers, producers/farmers, workers, businesses or organizations, municipalities, and other co-ops.

Here we define cooperatives by type of membership, or more simply, who owns the cooperative:

### Consumer Cooperatives

Consumer cooperatives are owned by members who use the co-op to purchase the goods or services that they need. By combining member demand, the co-op can provide better availability, selection, pricing, or delivery of products or services to individual consumers. The model is used in many sectors and includes credit unions, grocery co-ops, telephone and electrical distribution, housing and childcare.

### Worker Cooperatives

Worker cooperatives are businesses that are owned by their workers. Ownership allows the worker-members to control the operations and strategic direction of the business and to directly benefit from the business's success. Profit distribution to worker owners is based on some combination of job position, hours worked, seniority, and salary. Worker cooperatives are found in a wide variety of industries.

### Producer Cooperatives

Producer cooperatives are owned by people who produce similar types of goods or services. The members use the cooperative to more effectively negotiate prices and to access larger markets. The

cooperative can further process member products to add value and increase producer returns. Some producer cooperatives also pool member demand for production inputs to obtain better pricing for those inputs. Many agricultural cooperatives provide both types of services to their members.

### Purchasing or Shared Services Cooperatives

Purchasing cooperatives combine member demand to achieve better pricing, availability, and delivery of products or services. The members of purchasing cooperatives are businesses or organizations, rather than individual consumers, that use the cooperative to more efficiently manage their operations. Purchasing co-ops are used by hospitals, independent retail stores, farm supply cooperatives and educational institutions for cost-effective wholesale purchases.

### Multi-stakeholder Cooperatives

Also referred to as hybrid or solidarity model cooperatives, multi-stakeholder cooperatives are owned by two or more types of members who have different roles and interests in an enterprise that more broadly benefits them all. Member classes may include consumers (either individuals or businesses), producers, workers, or investors.

(Adapted from *Cooperatives in Wisconsin: The Power of Cooperative Action*, published by the University of Wisconsin Center for Cooperatives.)



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# Grassroots advocacy in action: Co-op Day at the Capitol

by **Rick Hummell** Cooperative Network Communications Specialist

Known for world-class legislative advocacy, Cooperative Network annually invites its members to participate in Co-op Day at the Capitol, day-long events held on separate dates in Minnesota and Wisconsin where cross-sector teams of Cooperative Network members meet face-to-face with state legislators to lobby on behalf of cooperatives.

Designed to build relationships with legislators and agency officials, and help explain the role cooperatives play in both states' economies, Co-op Day at the Capitol also positions and brands Cooperative Network as the state authority on cooperative issues in the legislative arena.

"The most effective way to bring about legislative change is through direct contact with your state legislators," said Cooperative Network president and CEO Dan Smith. "Simply put, nothing has more impact on our efforts to advocate for cooperatives than our members talking directly with their legislators through programs like Co-op Day at the Capitol."

The first Minnesota Co-op Day at the Capitol was held in 2009; Wisconsin held its first in 2018.



Minnesota cooperative leaders meet in a small-group session with Minnesota State Senator Gary H. Dahms.

Designed to be held in-person, due to the Covid pandemic, the 2020 and 2021 iterations were held virtually, returning in-person in 2023. This year, Minnesota's Co-op Day at the Capitol was held March 29; Wisconsin's on April 18.

As in years past, both events consisted of separate morning and afternoon sessions, with the morning session featuring welcoming remarks and a Cooperative Network update from Smith, legislative priority briefings from Government Affairs Directors David Larson (Minnesota) and Jennifer Wickman (Wisconsin) and large group meetings with state agency commissioners and leaders to address co-op priorities, hear concerns, and answer questions.

Among those who spoke with the Minnesota large group were Department of Agriculture Commissioner Thom Peterson and Department of Transportation Commissioner Nancy Daubenger. In the afternoon, the Minnesota cooperators separated into groups of four or five individuals who then met face-to-face in half-hour sessions with legislators, including Representatives Greg Davids, Liz Reyer, Kristin Bahner, Dean Urdahl, Chris Swedzinski, Bjorn Olson, Jeff Brand, Peggy Bennett, Marj Fogelman, Paul Anderson, Walter Hudson, and Senators Gene Dornink, Rich Draheim, Eric Lucero, Torrey Westrom, Jim Carlson, Andrew Lang, and Gary H. Dahms.



Joel Nilsestuen, Wisconsin Department of Transportation assistant deputy secretary, gives an overview of the department's top priorities for Wisconsin's 2023 Legislative Session.



Cooperators pose for a photo with State Senator Bill Weber (center, left) during Minnesota Co-op Day at the Capitol.

While meeting with the legislators, the cooperators asked for support for items on Cooperative Network's current Minnesota legislative priority list, including supporting legislation that funds cooperative development grants, opposing the establishment of a Grain Indemnity Fund, supporting the Minnesota State Competitiveness Fund, and supporting legislation funding broadband expansion.

During the morning session at Wisconsin Co-op Day at the Capitol, the Wisconsin cooperators heard from Dennis K. Winters, chief economist with the Wisconsin Department of Workforce Development, and Joel Nilsestuen, assistant deputy secretary with Wisconsin Department of Transportation. Wisconsin small group participants met face-to-face in the afternoon with Representatives Scott Johnson, Todd Novak, Melissa Ratcliff, Robb Summerfield, Alex Joers, Travis Tranel, Jeffrey Mursau, Ronna Rozar and John Spiros, and Senators Mark Spreitzer, Howard Marklein, Joan Ballweg, Melissa Agaard, Jeff Smith, Jesse James, Dianne Hesselbein, Robert Cowles, Rob Hutton, Brad Pfaff, Mary Felzkowski, Cory Tomczyk and Patrick Testin.

During those meetings, cooperators outlined legislative priorities, including support for workforce development programs, repealing the personal property tax, broadband expansion, supporting road improvement programs, and expanding the Co-op Feasibility Studies grant program.

After attending Minnesota Co-op Day at the Capitol, Scott Kubesh, Minnesota Valley Cooperative Light and Power Association member services manager, said, "I feel it is important that legislators hear directly from co-ops and constituents from their districts. I believe the event was a great way to hear all concerns from co-ops from across the state." Kubesh, who has participated in Minnesota Day at the Capitol twice previously, said, "The event also gives us a chance to find out what is happening behind the scenes at the Capitol."

"One key takeaway (from attending the 2023 Minnesota Co-op Day at the Capitol) is the respect Cooperative Network seems to have with legislators," said Margaret Schreiner, Great River Energy board member and a previous attendee. "Many of these events happen and legislators have staff meet with you, ask you to drop off material at the office or come down and 'see' if they can take a few minutes out of committee to speak with you in the hall. We did not have this . . . We met with each legislator in our assigned group. Speaks well for (Cooperative Network)."

Schreiner said she also appreciated the opportunity to meet with individuals from other cooperative sectors. "I think there is value in getting to know the various other co-ops and their issues. I have very little interface with credit unions, other than the one I use; health co-ops, housing co-ops etc. Even in the energy sector I have limited interface with Wisconsin G&Ts (energy generating and transmission companies)."

"The value I gained (from attending Wisconsin's 2023 Co-op Day at the Capitol) was in talking to legislators on both sides of the aisle about issues impacting the business I represent and discussing strategies and common ground to get to a 'Yes' moving forward. We were also able to thank legislators for their work and show a unified voice," said Kirby Wagner, GROWMARK associate manager, government relations, who was attending his first Co-op Day at the Capitol.

Added Wagner, "I gained new and valuable contacts who I will use as a resource and champion, (and I) also became a resource to their offices on matters concerning cooperatives. The day did a great job of bringing competitors on the field of sales and coming together as collaborators on the field of policy."



Cooperative leaders from Wisconsin meet in a small-group session with Wisconsin State Senator Brad Pfaff during Wisconsin's Co-op Day at the Capitol.

# SPIRE Credit Union

Q&A with Dan Stoltz, President & CEO



## Why should someone choose a credit union for their financial needs?

Credit unions have become a popular choice in the marketplace for many reasons, and always at the top of the list is service. At SPIRE, our mantra is service, service, service, and maintain high values, work hard, and treat others well. We understand that holistic banking is built upon meaningful conversations. By serving members and listening to their needs, we are equipped to provide solutions to ensure members are in a better position tomorrow than they are today. We promote servant leadership at every level of the organization, using every opportunity to put the member at the forefront of every interaction. We encourage employees to ask themselves, "How can I best serve the member today?"

## Legislation requiring high school students to take a personal financial literacy class in order to graduate has been gaining momentum. Do you support this requirement?

SPIRE fully supports this requirement, and our employees reached out to legislators this year to ask for their support on the proposed bill. SPIRE not only recognizes the importance of financial empowerment, but has actively provided financial literacy education to all ages within our communities for 15-plus years. Since the program's inception in 2007, SPIRE has reached over 17,000 individuals over 2,500 classroom hours. We believe it is our duty as a credit union and cooperative to teach necessary skills to be financially successful.

## Why do you support the Cooperative Business Model? What value does SPIRE derive from being a cooperative?

I have been involved with cooperatives since 1996 when I was recruited by the Central Purchasing Services cooperative to serve as their CEO. I quickly understood the importance of collaborating with other co-ops, strengthening each organization, and the movement as a

whole. This is where I became to love the co-op ideology, and knew it would be my life's work.

At SPIRE, we have helped countless small credit unions along the way, upholding Cooperative Principle #6: *Cooperation Among Cooperatives*. In the past nine years, we have successfully completed 10 mergers, nine of which were small credit unions seeking help for a variety of reasons. We look at all mergers as an association of people, not dollars.

Credit unions across the world embrace the *Cooperation Among Cooperatives* principle, and collaborate whenever possible. On a local level, our state trade association, the Minnesota Credit Union Network (MnCUN) hosts regular peer-to-peer networking events for all operational areas. Examples are risk management, accounting, fraud/identity theft, and financial literacy.

Scaled up to an international level, the collaboration is boundless. Through an association with the World Council of Credit Unions in 2017, SPIRE hosted 30 representatives from 12 credit unions in Kenya, collectively known as the Kenyan Union of Savings and Credit Co-operatives (SACCOs). The visit was part of a week-long event where the Kenyan delegation spent time at four Minnesota credit unions, as well as MnCUN. The meetings were an opportunity to strengthen connections between financial cooperatives around the world through an exchange of ideas about the shared challenges we face.

I believe in being a net giver in life. Life is about giving, not getting. In January 2020, as we were putting the finishing touches on the SPIRE Strategic Plan, we added a core action of giving back to our core principles, upholding Cooperative Principle

#7: *Concern for Community*. As a management team and Board of Directors, we made it part of our strategy to build a legacy of giving back to community. When COVID hit in March 2020, we immediately enacted our core action, and rolled out the SPIRE Treasures program, giving back \$250,000 to local businesses and organizations in need. Every year since, we have given away \$52,000 per year through the SPIRE Cares and Shares program. Each week, one of SPIRE's 52 branches, departments, management teams, and volunteers select a Minnesota-based non-profit to receive a \$1,000 donation. Everyone in the credit union is involved in our give back efforts.

## What are some of the top challenges/opportunities facing credit unions?

One of the top challenges facing credit unions is the looming economic recession downturns. Interest rate increases would normally boost credit union earnings, but an inversion of the yield curve has the potential to increase deposit costs more than loan yields, especially for those credit unions faced with liquidity needs. With evidence of a recession, credit unions will continue to increase loan loss provisions. Rising operating expenses due to general inflation and slower household spending reducing interchange income growth will squeeze margins. Mortgage refinancing income will remain low given the high rate environment.

Opportunities for credit unions to engage members and enhance the member experience include community involvement, personal finance education, and embracing new technologies.

## By the same token, what are some of the top challenges/opportunities facing cooperatives?

In ever-changing markets, challenges can vary, but I see the top challenges to cooperatives as attracting and retaining talent, and technology adaptation.

One of SPIRE's strategic initiatives is to identify talent and create a succession path at all levels. As jobs become less location dependent, high talent will choose jobs for purpose and passion rather than location, convenience, and pay rate. SPIRE's brand recognition and community give back attract talent to SPIRE now more than ever. My philosophy is SPIRE needs to be, "Big enough to know how, and small

enough to know you." SPIRE invests heavily in both brick and mortar branches, and digital technology. In 2020, SPIRE launched its new, advanced digital banking service for members, the largest technology upgrade in our 88-year history.

Acquiring technology and information security are challenges for cooperatives around the world. Digital transformation, data analytics, and cybersecurity are a just a few. Addressing technology challenges involves strategic planning, investment in resources, and collaboration with other cooperatives. Over the past year, SPIRE has on-boarded 11 new employees in the areas of technical services, digital banking, project management/quality assurance, and information security to keep abreast of cutting-edge technology.

In any environment, the best opportunities lie in your leadership team. At SPIRE, our leadership knows failure is okay. We are not here to win or lose, but rather to win or learn. In each failure, there are many lessons to learn. Leadership is less about doing and more about being – showing up, working hard, giving it your best. We are always looking for passionate people who want to serve and have a passion for taking care of people.

Surround yourself by great leadership!

*SPIRE Credit Union is a member-owned financial cooperative founded as the Twin City Co-ops Credit Union in 1934. Headquartered in Falcon Heights, Minn., Spire serves more than 153,000 members and controls more than \$2.1 billion in assets. Spire has 22 branch locations throughout Minnesota and 364 employees. Dan Stoltz joined SPIRE as its Chief Financial Officer (CFO) in 1999, and assumed the CEO position in 2010.*



## Summit Credit Union

### Q&A with Kim Sponem, President & CEO



#### Why should someone choose a credit union for their financial needs?

Credit unions are a terrific option for consumers for many reasons. As a member-owned cooperative, we only exist to benefit our members. We help people in ways that for-profit banks often won't. For example, we help small investors, make small dollar loans, and work one-on-one with members to build a budget and identify ways to achieve their financial goals. We form community partnerships that are less about what's most profitable and instead about our mission. At Summit, examples of this include branches in high schools to teach young adults good money habits, and opening a branch in the Urban League of Greater Madison's Black Business Hub to help more entrepreneurs start and grow businesses. We've developed award-winning financial education programs that strengthen the lives of individuals and the community, because it's our purpose to help our members make good financial decisions.

We also save our members money. Last year each Summit member household, on average, saved \$297 over the average cost of banking with for-profit banks in Wisconsin. And the more members come to us for their financial needs, the more they'll save. Credit unions improve members' lives and help build stronger communities. I am not sure why someone would NOT choose a credit union!

#### Legislation requiring high school students to take a personal financial literacy class in order to graduate has been gaining momentum. Do you support this requirement?

Yes, I fully support this! I helped with the first legislation on the topic in Wisconsin and was present when the Governor signed it into law.

I've said for years that it is a lot easier to prevent poor money management than it is to fix problems later. People think they should just know about good money habits because they have used money to buy

things all their life. That's familiarity, not knowledge or good habits. We are not born with the knowledge of how to manage money effectively. We all need to learn it, and it is an important life skill.

I was on the Board of Visitors for the School of Human Ecology at the University of Wisconsin-Madison when the school created a one-credit financial education course that is offered across campus.

We offer many financial education programs for students and their families. In the Madison Metropolitan School District, our financial education events – both in-person and virtual – reached over 5,500 students in 2022. And our online financial education program, Foolproof, was utilized by 13,000 students throughout Wisconsin in 2022.

#### Why do you support the Cooperative Business Model? What value does Summit derive from being a cooperative?

Our cooperative business model allows us to make decisions that benefit our membership in the long-term rather than what benefits only stockholders in the short-term. For instance, one of our goals is to help women and their families avoid poverty in retirement. It is very rewarding for everyone at our credit union to work together to help people build financial security and help our communities thrive. Our cooperative business model is the foundation for our purpose-driven culture.

The focus on long-term benefits is why we created a fun, family-friendly experience for our annual membership meeting several years ago. This has grown into Summit Fest, our annual membership meeting and appreciation event. We had a record attendance this year with more than 3,500 members at Madison Mallards Stadium. Members enjoyed free food and drink, and music from our employee band, Primal Rate. My favorite part? Kids of all ages had a blast competing in obstacle races, face painting, a

petting zoo, and other fun activities. I love seeing the sea of kids and their families creating fun memories associated with their credit union.

Cooperatives can choose to return some of their profits to their members through a patronage dividend. We decided to start doing this nearly a decade ago and we call it "Cash Boomerang." Right before the holidays, eligible members receive their Cash Boomerang. Last year, our members received \$2.5 million in give-back.

#### What are some of the top challenges/opportunities facing credit unions?

There are more people than ever who live paycheck to paycheck and need our help. While unemployment is at an all-time low, we know there are more people having a difficult time keeping up with monthly expenses and rising costs. This is a tough place to be, and the stress that people carry ripples into all other areas of their life. We don't have fast or easy solutions, but we'll provide the guidance, support, and tools they need to take the next best step. It's both a challenge and an opportunity to find new and better ways of doing that with our members.

New entrants to financial services leverage modern technology to capture consumers' financial business through seamless digital experiences. Most often, these new firms focus on a specific aspect of a consumer's financial needs and not the entire picture. This narrower focus allows them to deploy technology in entirely new ways very quickly. They also aren't usually federally insured financial institutions, and don't have the same regulatory considerations. In addition, online-only banks provide consumers with high value in certain products and make it extremely easy for consumers to do business with them. We generally see that members don't use an online-only bank for their entire financial relationship, but will for certain services. Without a branch network, their operating costs are much lower.

All of this means that credit unions have an opportunity to take the very best of what we do and integrate it into fast, easy, insightful digital experiences. We need to be able to help members whenever and however they need it as they move

between our delivery channels based on their journey and changing needs.

#### By the same token, what are some of the top challenges/opportunities facing cooperatives?

Cooperatives, even in Wisconsin, are not well understood so consumers do not always pay attention to the different business model. It is hard to explain and often people need to feel the difference before they start to understand it. This can be a challenge with lawmakers too.

Cooperatives are difficult to start because you have to get the seed money to start them without the upside of an investment in a for-profit stock company. In our industry, banks are started often. Very few credit unions have been started over the past several decades.

We started Co-op Connection to help address this awareness challenge. It's held on the Square by the Wisconsin Capitol. Many local cooperatives take part, showing people what they do and what they offer their members. This public celebration of cooperatives has run since 2011 and is now part of the Madison annual calendar. Look out for it on the first Saturday in October. It's a great way to kick off Co-op Month.

As cooperatives, the collective best interests of our members are at the core of everything we do. We are only successful when our members benefit from what we provide – regardless of the industry. Our opportunity is to use the deep knowledge we have about our members to create more value and benefits for them, and to understand how we can make their lives better.

*Established in 1935, Summit Credit Union is a member-owned financial cooperative. Summit holds \$6.4 billion in assets and has more than 245,000 members and 956 employees across 56 locations throughout south-central and southeastern Wisconsin. Kim Sponem has been CEO and president since 2002. Summit's headquarters is located in Cottage Grove, Wis.*

# Women in co-op leadership roles share perspectives, advice

In recognition of Women's History Month, Cooperative Network reached out to several women who occupy top positions at cooperatives to ask about their background, career path, leadership style, and advice they'd give to aspiring female leaders.

**Here's what we asked** (responses may be edited):

1. Describe your leadership style and how you lead others. Do you think it's different from your male counterparts and, if so, how?
2. What advice would you give to women who aspire to become leaders?
3. What do you think is the most significant barrier to female leadership and how do we break down that barrier?
4. Are there any unusual or interesting things about your career path you can share?
5. You are undoubtedly very busy, how do you take care of yourself and maintain a good mental health?
6. Why do you support the "Cooperative Model?"



**Victoria (Tory) Clark-West, executive director, Northcountry Cooperative Foundation, St. Paul, Minn.**

Victoria (Tory) Clark-West, age 31, joined Northcountry Cooperative Foundation (NCF) in 2016 and assumed the role of executive director in 2020. She oversees organizational strategy, advocacy, fundraising and capitalization, and new program development. Prior to NCF, she worked at the Minnesota Housing Partnership as a communications coordinator. She is a graduate of the National Development Council's Housing Development Finance Professional (HDFP) Certification Program and holds a bachelor's degree in English from Gustavus Adolphus College.



Victoria Clark-West testifies in support of additional resources for manufactured home cooperatives. (MN House Public Information Services photo.)

1. One of the most important aspects of leadership is understanding that while you might be the captain, you're still a member of the team. As such, my leadership style is extremely collaborative and focused on hiring the best people I can, so that the collective is stronger than any one individual. It has been my observation that this is a different approach than some of my male counterparts, as it requires a certain level of vulnerability as a leader. Rather than being the figurehead of an organization, it's a team-driven approach that truly lives out the Cooperative Principles in our day-to-day work.

2. The best advice I can give is to cultivate a diversity of good mentors. You need to surround yourself with individuals who you are willing to be honest with, and in turn, willing to be honest with you. If you can form those trustworthy and reliable relationships with mentors, you'll always have a support system when you need it.
3. One of the biggest barriers to female leadership is the common expectation that in order to be successful in your position, you must operate in a quintessentially male way. Often vulnerability in leadership, such as showing emotion, admitting mistakes, or inviting others to have input in decisions, is still unfortunately perceived as a weakness. I've found the easiest way to break down that barrier is to lay my cards on the table, be willing to collaborate with staff, state aspirations and dreams, and "say it ugly" without a need to be perfect. Often, playing it "close to the chest" has been the status quo in leadership, so by expressing vulnerability, it allows for new solutions to come to the forefront and a more knowledgeable team that respects and actually understands the organization's decision-making process and direction.
4. I was raised by two pastors whom I deeply admire. Like many kids, there was a period in my adolescence where I wanted to be a pastor "just like Mom and Dad." I remember my Dad saying to me, "No matter what you do, whether you join the clergy or not, you will find your 'ministry.'" What he meant by that was that I would find my way to be of service to people. When I first began working in non-profit housing, I often became frustrated with a system that seemed to prioritize acquiring resources, rather than focusing on the needs of people we aimed to serve. However, NCF and the Cooperative Model serves as the perfect "antidote" to that system through empowering communities to direct their own resources and self-govern. Now, I can certainly say I have found my ministry.
5. I am happiest when I am learning something new, so I intentionally dive into many diverse hobbies, such as gardening, crafting, playing violin in the community orchestra, or hiking

- through nature. The ability to be creative through my hobbies and work different sides of my brain is a great outlet.
6. The Seven Cooperative Principles is a built-in accountability measure that grounds the work we do and is the "secret sauce" that guides our staff and the cooperative leaders we support. In all our work, the cooperative, and by extension the community that comprises the cooperative, is our focus. What I love about the Cooperative Business Model is that it is a people-centered approach that elevates human need and the financial bottom line, and not one at the expense of the other. Other sectors try to claim this "double bottom line" approach to business, but for cooperatives, the double bottom line IS the business -- it's in the DNA. How wild is that?!

## WOMEN OF THE COOPERATIVE MOVEMENT

**Theresa Marquez: Mission Executive & Chief Marketing Executive, Organic Valley**



A pioneer of the natural foods movement, Marquez moved to rural Wisconsin in 1995, where she spent more than a quarter century growing Organic Valley into what consumers know today. She served 17 years as the co-op's Chief Marketing Executive, and retired from the Mission, Messaging and Media Department in March 2018.

As Mission Executive, she ensured Organic Valley stayed true to its goals - including encouraging a farming future emphasizing ecological and economic sustainability, producing the best tasting, most nutritious and wholesome food possible, and respecting the diversity, dignity, and interdependence of human, animal, plant, soil, and global life.

(From *The Mighty Women of the Cooperative Movement* - *Bushwick Food Cooperative*.)

**Michele Longtin, general manager, Red Lake County Cooperative, Brooks, Minn.**

Michele Longtin, age 48, has been the general manager of Red Lake County Cooperative since 2018. Prior to accepting the general manager position, she co-managed for nine years and also previously served in positions with Red Lake as office manager, credit manager, office associate and worked in the convenience store. She completed some outside training, but says most of her knowledge has come from first-hand experience working in various departments within the company since 1991.



Michele Longtin at work at her cooperative's headquarters.

1. My leadership style is to work alongside my staff to provide the service to our customers that I would expect to receive. Show respect, put in the time, and encourage co-workers to do the same is my model.
2. My advice to women who aspire to work in a leadership position is to work hard, be respectful and show authority in the position you hold.
3. Fortunately, I have not had any issues with holding a female leadership position. I have been lucky enough to have an exceptional board of directors that stand behind me and many long-term employees that work together to run a successful local cooperative.
4. My career path is unique from most as I began employment at the age of 16 in our convenience store, advanced to work in the office a few years later, followed by working each position available until the management position was offered. I feel this makes me a great team leader, as I can work alongside any of my colleagues to get the job completed.

5. Working for the co-op for the last 32 years has kept me very busy. In my down time, I like to travel with my husband, spend time at the lake, and read and hang out with my husband, three children and two granddaughters.
6. Living in a small town my entire life, I grew up in the cooperative system, as our local gas co-op, electric company, and telephone company always played a large part in supporting our schools, local activities, and communities. They still do today. Cooperatives take pride in providing excellent service, quality products and being a part of their community. Working hard and building a successful co-op that can pay dividends back to its patrons is very rewarding.

**WOMEN OF THE COOPERATIVE MOVEMENT**

**Elizabeth Lee, co-founder, Ocean Spray**



Did you know Ocean Spray is a cooperative of cranberry growers? It was started in 1930 when three independent cranberry growers found the key to expanding the superfruit's success: a single cranberry-growing family. One of those founders was Elizabeth Lee. It's also claimed she was the originator of cranberry sauce, which she sold under the name "Bog Sweet."

Once Lee joined forces with Marcus Urann and John Makepeace, they released their first product, jellied cranberry sauce. They continued to grow the cooperative, which now includes over 700 grower families across North and South America!

(From *The Mighty Women of the Cooperative Movement* - Bushwick Food Cooperative.)

**Monica Obrycki, CEO, Eau Claire Energy Cooperative, Eau Claire, Wis.**

Monica Obrycki started working with Eau Claire Electric Cooperative in 2013 as administrative assistant to the Board of Directors, and assumed the CEO position on May 1, 2022. Various functions were added throughout the first few years of her employment, including human resources. In 2018, she was promoted to Chief Administrative Officer and oversaw human resources, benefits, marketing, communications and member services. She finished her Bachelor's degree in 2020 while working full-time and raising a family, and completed the National Rural Electric Cooperative Association Management Internship Program in 2021. "I've been married 24 years to my husband, Travis, and we have two college-age children, a Badger and a Gopher. Quite the family rivalry!"



Monica Obrycki visits with Eau Claire Energy Cooperative crew members.

1. I believe my leadership style reflects a "people-first" mentality, although I do think that leadership styles sometimes have to adjust, depending on the situation. There are times when it's important to build consensus, times to focus on mentoring and coaching, and occasions where a decision must be made which requires a more direct style.
2. The same advice I give to anyone aspiring to become a leader: work hard, never stop learning, and build your network of professional coaches and mentors. I would not be in the position I am in today without mentors and leaders who encouraged and supported me along the way! We all have powers within us. Use your powers for good.
- 4 I started as an administrative assistant. Not many CEOs start out in this role!

5. I believe the key to good mental health is perspective, staying active and eating and sleeping well. I have several hobbies that I enjoy, including photography, camping, golfing, and reading.
6. I support cooperatives because of the commitment to community. Cooperatives are special. It's a business model that allows member-owner input and participation. Cooperative employees live, work and play in the same community as our members. Our commitment to community is unrivaled by any other business model.

**WOMEN OF THE COOPERATIVE MOVEMENT**

**Alice Acland (1849 - 1935)**



Alice recognized the value of the co-op model early on. She witnessed firsthand the power of consumer cooperation while traveling with her husband, who advocated for educational opportunities for working class men. She saw the co-op model as one that gave equal power and ownership to women, and wrote about it frequently, eventually becoming a column editor for Cooperative News, the world's oldest cooperative newspaper.

In 1883, her work as editor led to the establishment of what is now the Co-operative Women's Guild, a social co-op which supported and advocated for women in the UK. The guild's legacy can be traced along several advances in gender equality through the early 20th century.

(From *Women of the Cooperative Movement* - Community Food Co-op)

# Moore honored with Graznak Award by Cooperative Communicators Association

Anne Moore, sustainability communications manager with Cooperative Network member Edge Dairy Farmer Cooperative, received the Cooperative Communicators Association (CCA) prestigious Michael Graznak Award at the CCA's annual honors banquet in June.

The long-running Michael Graznak Award is named for Michael Graznak, a cooperative communicator whose life was cut short while on a work-related assignment. The award, "Symbolizes accomplishments, contributions, competence and promise of young cooperative communicators, and recognizes their sustained excellence, creativity, insight and performance."

Announcing the 2023 winner, Kelly Jimenez, Carroll Electric Membership Co-op, said Moore "has been responsible for wearing numerous hats at (the) cooperative, including managing the website and social-media pages, e-mail platforms, and serving as the public-relations liaison."



## 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

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# 'Her Farm Network': an innovative program for women farmers

by Amy Sitze CHS Inc.

At agriculture-related events she attended and planned, Ashley Schumacher noticed something. "Women's voices weren't quite heard," says Schumacher, marketing manager at ALCIVIA, a CHS member co-op. "They were listening and learning and gaining knowledge, but they didn't necessarily have the opportunity to share."



ALCIVIA marketing manager Ashley Schumacher (left) confers with Her Farm Network participant Eric Hawkinson. (Adam Hester, CHS, Inc.)

Her Farm Network, a program run by the Wisconsin-based co-op, aims to change that. Started in 2019, the program brings together women in agriculture to learn about timely topics like succession planning and work/life balance, network with each other and bring back new knowledge to their farm operations. Events are open to the co-op's customers and members as well as to the general public. The women who attend bring different life experiences, but share a desire to learn and expand their networks. Most important, they share a love for what they do.

Learn more about the program at <https://www.alcivia.com/connect/her-farm-network/> A short video about the program and one of its most enthusiastic participants, Erin Hawkinson of Hawkinson Family Farms, can be viewed at <https://www.chsinc.com/about-chs/news/news/2023/03/30/her-farm-network-alcivia>



## Land O'Lakes named to TIME100 Most Influential Companies List

In June, TIME named Land O'Lakes, Inc. to its third-annual TIME100 Most Influential Companies list, which highlights companies making an extraordinary impact around the world. In announcing its 2023 Most Influential Companies list, TIME cited the company's "ramped up efforts" to help farmers adopt regenerative agriculture practices as one of the key reasons it made the list.

"For over 100 years, Land O'Lakes has been committed to ensuring global food security and supporting the efforts and the communities of the people who work hard to provide it," Beth Ford, Land O'Lakes president/CEO, said in a press release. "It's an honor to be included among this list of leading global businesses. I'm proud of our team who delivers this work and is committed every day to continuing to tackle the most important issues facing our world together."

In an article accompanying the list, TIME stated "Land O'Lakes does far more than sell butter. The century-old cooperative has ramped up efforts to help farmers adopt regenerative agriculture practices, like using cover crops to improve soil health, which in turn makes food more nutritious. It also helps soil absorb atmospheric carbon. Under CEO Beth Ford, Land O'Lakes' sustainability business, Truterra, has paid farmers over \$9 million to sequester 462,000 metric tons of carbon. With support from a new \$90 million USDA grant, Truterra aims to help up to 20,000 farmers and dairy producers reduce greenhouse-gas emissions by about 6.9 million metric tons of CO2 over five years – roughly equal to taking 1.5 million cars off the road for a year."

# MN Legislative Update

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

The 2023 Minnesota Legislative Session resulted in large-scale change due to the 2022 Election concluding in a Democratic-Farmer-Labor-Party (DFL) trifecta. With DFL majorities in the House and Senate, as well as a DFL governor, a legislative agenda that included vast state expenditures, revenue increases, and more business regulation started to take shape prior to the January kickoff and proved to be difficult to amend as the session progressed. With that said, however, Cooperative Network maintained an active presence at the Capitol to achieve many of our members' stated goals, as well as negotiate more reasonable compromises that made outcomes more palatable for cooperatives.

Last year, 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. This year, Cooperative Network advocated for these grants to receive funding, and were able to secure \$400,000 in the budget for the biennium, as well as be funded through the Agricultural Growth, Research and Innovation (AGRI) program in future budgets. 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.

Cooperative Network, along with our cooperative partners, advocated for the Minnesota State Competitiveness Fund, which provides \$115 million from the general fund to match the federal grant dollars available from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) for new energy infrastructure. Hundreds of millions of dollars are available in federal investments, and states around the country are setting up matching fund allocations through state funds. Setting up a state fund will allow smaller entities to provide the technical assistance resources necessary for them to compete for these federal grants.

In 2022, Cooperative Network was a part of a coalition that asked for and received an historic investment in broadband infrastructure to the tune of at least \$210 million of both state and federal funding. This year, Cooperative Network's push for continued funding resulted in the largest state investment in history of \$100 million, breaking 2021's record of \$70 million in state funding. With Governor Walz's stated goal of providing high-speed internet to all Minnesotans by 2026, a state task force estimated that an additional \$426 million is needed, so Cooperative Network will continue to advocate for further investment in broadband infrastructure.

Although not all legislation was friendly to cooperatives, Cooperative Network worked to negotiate better outcomes than what was first proposed. One of the first bills passed this session was the Carbon-Free by 2040 legislation, which Cooperative Network largely opposed due to vast impacts on energy reliability and affordability. But when it became abundantly clear that this bill was going to become law, Cooperative Network and our cooperative partners were able to get an amendment to the bill that lowered a compliance milestone for cooperatives specifically from 80 percent carbon-free usage to 60 percent carbon-free usage for the first benchmark year of 2030.

Other bills we opposed as proposed included the Paid Family and Medical Leave mandate and the Grain Indemnity Fund. While both of these bills eventually passed, Cooperative Network negotiated major changes that made them more palatable for cooperatives. The Paid Family and Medical Leave program originally was supposed to have an uncapped payroll tax increase and up to 36 weeks of paid leave per year, which Cooperative Network and our partners were able to negotiate to a max of 1.2 percent payroll tax increase and 20 weeks maximum paid leave per year.

# WI Legislative Update

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

The GOP-led legislature signed off on the State of Wisconsin's two-year budget plan in late June and forwarded it to Governor Evers who, after exercising his veto authority to make approximately 50 line-item vetoes, enacted a budget on July 5 which includes several key "wins" for cooperatives.

Going into the budget cycle, Wisconsin had a record \$7 billion surplus, and much of the discussion revolved around what to do with it. Evers recommended more spending on K-12 schools, the University of Wisconsin system, environmental programs, and infrastructure such as roads and broadband. By contrast, Republicans wanted historic tax breaks. The GOP began the year by floating the idea of a flat income tax. When it became clear Evers would veto that idea, they pivoted to cutting the state income tax rate and forwarded a proposal to cut Wisconsin's current four-bracket tax system to three brackets: 3.54%, 4.4%, and 6.5% (for salaries above \$405,550 for married joint filers). Saying he was opposed to "more tax cuts for the rich," Evers used his veto pen to keep the existing four-bracket system, while cutting tax rates only for the two lowest brackets (those earning \$18,000/year or less).

### Key budget "wins" for cooperatives include:

**Personal Property Tax** – Cooperative Network has worked diligently to achieve full elimination of this unfair and outdated tax. Working with a strong coalition of business groups, we finally were successful. The personal property tax was the oldest tax in the state, and originally applied to everything from wedding rings to chickens. Over the years, it's been significantly curtailed, including elimination from manufacturing and farm equipment, then computers and office machines. As a result, small businesses and cooperatives were left paying this \$250 million/year tax on their office furniture and fixtures. Nearly all legislators from both parties were interested in eliminating the tax altogether, but because it was a significant source of revenue for local governments, a replacement had to be found. Fortunately, it was

rolled into the "shared-revenue" deal, which will send 20% of the state's sales tax collections (or one penny of the 5-cent sales tax) to local governments.

**Agricultural Road Improvement Program** – Created under the existing Local Roads Improvement Program, the \$150 million "ARIP" initiative will reimburse local governments for repairs to roads, bridges and culverts used by farms that would likely not receive other state aid. It prioritizes projects that serve the largest number of farms and requires updates to eliminate weight restrictions. Although \$150 million will not cover all of Wisconsin's rural farm routes, it is a great start and should help eliminate some of the spring weight restrictions which have hampered agriculture, particularly dairy. This issue was one of the main topics discussed during this year's Cooperative Day at the Capitol.

**Healthcare** – The new state budget invests \$3.1 billion into health services, including \$387 million more for hospitals, \$195 million for nursing homes, and \$41 million for mental health services. The budget also fully funds SeniorCare and provides \$25 million for the EMS Funding Assistance Program.

**Transportation** – In addition to the creation of the ARIP, we were pleased to see increases in transportation funding, including a 2% per year increase in Transportation Aids for counties, totaling \$7,566,300. We're also pleased to see a one-time increase in the Local Road Improvement Program, totaling \$4,016,800, and Transportation Aids to municipalities increasing 2% per year or \$23,863,100.

**Agricultural and Environmental Programs** – Cooperative Network worked hard to make sure most of our agricultural programs remained funded and we were pleased to help achieve increases in three key areas: \$800,000 per year for meat processor grants; \$300,000 per year for grants to dairy processors; and an additional \$50,000 per year for the Wisconsin Agriculture in the Classroom Program.

# Raptor restoration collaboration

## Program reflects Dairyland Power Cooperative's commitment to environmental stewardship



by **Rick Hummell** Cooperative Network Communications Specialist

**F**our more and counting!

When they flew out of their sky-high nesting box for the first time in mid-June, "four" brought to 161 the number of Peregrine falcons to fledge over the years through Dairyland Power Cooperative's highly successful Peregrine falcon restoration program, a collaboration with the Raptor Resource Project.

Early in March this year, two falcons arrived at the nesting box, attached to a port some 450 feet up the stack at Dairyland's John P. Madgett Station, located along the Mississippi River near Alma, Wis. Later that month, the female laid a clutch of four eggs, which the pair incubated until the chicks hatched one by one, starting April 26 and continuing over the next several days. Although the falcons fledged in June,

*Top: The adult male and female are pictured soon after arriving at the nesting box 450 feet up the stack at Dairyland's John P. Madgett Station near Alma, Wis.*

*Bottom: Hatched in April, four chicks occupy the nesting box. The chicks, a male and three females, were named by Dairyland employees: Norman, Salem, Panther, and Piper.*

they'll typically remain in the area, but not always near the nesting box, until migrating to South America in the fall.

As an electrical generation and transmission cooperative, La Crosse-based Dairyland Power Cooperative (DPC) provides wholesale electricity for 24 distribution cooperatives and 27 municipal utilities, who in turn supply the energy needs of more than a half-million people in a four-state region.

Dairyland is more than just about generating and transmitting electricity, however. As a cooperative, and in keeping with the Seven Cooperative Principles, Dairyland places a premium on enriching the communities it serves, including through community conservation and education projects.

A noteworthy example is the Peregrine falcon restoration program, a long-term effort to preserve and strengthen the population of Peregrine falcons, a bird of prey which has been on the Wisconsin Endangered and Threatened Species List since 1975.

### A bit of history . . .

In March 1993, Bob Anderson, then director of the Raptor Resource Project, a non-profit group working to restore the Midwest's population of Peregrine falcons and other raptors, approached Dairyland to inquire if the co-op would help in recovery efforts for the falcon.

"Anderson had researched falcon activity in western Wisconsin and knew, although they migrated through the area, falcons had not been successful establishing nesting sites at any of their typical dwellings on the cliffs overlooking the Upper Mississippi River," Dairyland's falcon program webpage notes. "He believed the raptors would visit the stacks ... at one of Dairyland's power plants, located between high bluffs and the Mississippi River ... the perfect spot for a falcon family. Anderson speculated the raptors might find a nest box high on one of the stacks an appealing place to call home.

Dairyland management was enthusiastic and a raptor neighborhood was born."

In March 1994, the first falcon nest box, constructed by Eden Prairie, Minn. school students, was installed on the stack at the Alma power plant.

The nesting box is attached to a strobe light sill on the John P. Madgett stack. There's an internal stack elevator that staff can ride up to an inside catwalk, where the box is located. The strobe light swings back into the stack and the roof of the box is hinged, so the roof swings open and covers the front of the box, allowing falcon program personnel to retrieve the chicks for U.S. Fish and Wildlife Service banding.



*The nesting box is attached to a strobe light installation on the Alma power plant stack. The strobe light is visible at upper right.*

Although the original nesting box went unused the first few years, a pair of falcons were sighted in it on Earth Day 1997.

From the website: "The two birds nesting in this box, named Alma and Nelson, produced three healthy offspring during 1997. The three chicks were brought carefully down from their home 450 feet up the stack to get U.S. Fish and Wildlife Service bands. This was a banner moment for the project, as it marked the first successful wild hatch of Peregrines in western Wisconsin in 25 years!

"Along with their new jewelry, blood samples were taken to assure that they were healthy. The chicks

were named Clara, Florence and Harriet, after famous women from the Civil War. The young falcons successfully flew from the nest in late summer 1997 and learned to hunt on their own near the plant site."

In 1997, a second nesting box was installed 375 feet up a stack at Dairyland's Genoa Station #3 generating station, located about 100 miles south of the Alma station. The first two falcons hatched there in 1998.

Between them, the Alma and Genoa plants fledged 161 falcons between 1997 and this year. (In 2021, the Genoa nesting box was removed due to the retirement and decommissioning of the plant.)

In 2007, Dairyland expanded its bird-of-prey focus by installing an osprey nest platform along the banks of the Dairyland Reservoir near Ladysmith, Wis., in collaboration with the Jump River Electric Cooperative and the Rusk County Wildlife Association. In 2022, a bird cam was installed near the platform.

Although Dairyland's efforts to restore falcon and osprey populations are meaningful and tangible conservation measures, they're just one aspect of the cooperative's conservation efforts.

"Being a good steward of the environment is an important part of being a successful business in today's world. The public is much more environmentally conscientious than it was years ago, which is a good thing," said Brad Foss, Dairyland Power Cooperative director, environmental and compliance. "Dairyland is committed to going above and beyond environmental compliance requirements to benefit wildlife, often working together with other co-ops and conservation groups to maximize positive impacts."

As such, Dairyland is actively engaged in a wide spectrum of environmental and conservation programs, including creating or managing more than 50 acres of pollinator habitat on Dairyland-owned properties. This includes the development of pollinator habitat on the cap of a closed ash landfill at the Genoa site, as well as adjacent lands next to Dairyland substations, and, more recently, establishing several acres of pollinator at a new service center near Harmony, Minn.



An osprey and its chick at the osprey nest platform at the Dairyland reservoir near Ladysmith, Wis.



Amy Ries with the Raptor Resource Project, and Brad Foss, Dairyland's director, environmental and compliance, band falcon chicks.

Dairyland also has approximately 100 acres of bluff-land property near its Alma off-site facility enrolled in a conservation easement with the Mississippi Valley Conservancy. This area includes an approximately eight-acre bluff prairie, which Dairyland is restoring by removing invasive species and implementing restoration techniques, such as prescribed burns.

The cooperative also has a long partnership with a conservation group in Rusk County, Wis., called the Wildlife Restoration Association (WRA). Working with the WRA and the local community, Dairyland has been involved in one of the largest aquatic habitat enhancement projects in the state involving adding over 10,000 cubic yards of rock and over 5,000 trees, brush bundles, and root balls to the bed of the Dairyland reservoir.



Dairyland's Erik Hoven, manager of environmental affairs, holds a falcon chick.

Through follow-up fisheries surveys of the reservoir, Dairyland staff have noted an increase in fish species composition and abundance. Additionally, there have been numerous recreational enhancements made to parks, boat landings, and trails at the reservoir.

Dairyland biologists also are active in local communities hosting environmental field sampling days for high school students, mentoring high school students for science fairs, and presenting on Dairyland's environmental stewardship activities.

"Our wheels are always turning when it comes to additional environmental stewardship opportunities," said Foss. "Whether it is expanding existing programs, such as establishing additional pollinator habitat throughout our service territory, or exploring new opportunities that may be associated with increasing renewable generation, environmental stewardship is really part of Dairyland's sustainability journey, which has no finish line."

To view Dairyland Power Cooperative's Falcon Cam, visit: <https://www.dairylandpower.com/falcon-cam>

## Great River Energy nesting box produces four more falcons



In addition to partnering with Dairyland Power Cooperative, the Raptor Resource Project also partners with Cooperative Network member Great River Energy, which hosts a Peregrine falcon nesting box on its Elk River, Minn. campus along the Mississippi River.

Great River Energy, with the help of an Eagle Scout and the Raptor Resource Project, first installed the nesting box in 2006. Since then, about 50 young falcons have fledged from the Elk River location. Four more eggs successfully hatched this year and the young falcons were banded in May.

For more information about the Great River's nesting box program, visit <https://greatriverenergy.com/environmental/peregrine-falcon-birdcam/>

# Empowering rural homeowners through the Cooperative Model

by **Darrah Perryman** Public Affairs Specialist, USDA Rural Development

In 2016, Bobbie Grubb's manufactured housing community in La Crosse, Wis. converted to a cooperative-owned model, a move that would afford residents the power to control what happens in their community for the first time. Manufactured communities, or mobile home communities, provide many people in rural communities access to affordable housing. But although the homes are owned by the homeowners, the land is typically owned by a third party or outside investor, creating unique barriers for the community.



Pammel Creek Estates homeowners hold a banner celebrating the manufactured home community's becoming a cooperative.

"In a lot of rural communities, it is the only homeownership opportunity," said Victoria Clark-West, executive director of the Northcountry Cooperative Foundation (NCF), a member of Cooperative Network. "But we are losing the affordability of these communities. The separation of homeownership leaves the people very vulnerable. Today, there has been widespread economic eviction of the most vulnerable people."

Converting to a resident-owned cooperative is one way that communities can combat this problem and have a say in the happenings of their community. When the owner of Grubb's community, called Pammel Creek Estates, began raising lot prices steadily year after year, it became a threat to the residents. As a Rural Cooperative Development Center, NCF helps rural people organize, start, maintain, or improve a Cooperative Business Model and cooperative services. When they connected with Grubb's community, the process began.

"It started out with one meeting," Grubb said, board director for her cooperative-owned community. "A lot of us were on fixed incomes at that time. Everybody went to the meeting and we all kind of agreed right from there that this something we wanted to do, because we couldn't afford to have things keep going up."

NCF can help communities like Grubb's convert to a cooperative-owned model in part thanks to USDA Rural Development. In 2020, NCF applied for a \$200,000 Rural Cooperative Development Grant (RCDG) to help cover some of the costs associated with the conversion process.

"We rely on the RCDG as a core part of the way we enable this work and scale across rural communities," said Clark-West. "When you invest in cooperatives, you are investing in people and leadership development, and creating a pipeline for new, unlikely leaders. Cooperative ownership disrupts exploitation of homeowners. It is a launchpad for

exercising power in other ways in the community." The RCDG program improves the economic condition of rural areas by helping individuals and businesses start, expand, or improve rural cooperatives through Cooperative Development Centers. Funds can be used to help conduct strategic planning, capacity-building, and more.

NCF provides ongoing technical assistance to Grubb's community, including a yearly leadership training and access to a network of other cooperative communities throughout the country.

For Grubb, the conversion is a decision co-op members don't regret. "We are in charge of everything that goes on. We all set the rules, we all vote on the rules, it's not just a board of directors or one person making a new rule in the community. Every person who is a member is a homeowner and in charge of making these rules. It makes for a peaceful community."



Northcountry Cooperative Foundation staffer Julie Martinez presents a gavel to the Pammel Creek Estates board of directors upon the community's establishment as a cooperative.

To learn more about the RCDG program, visit: <https://www.rd.usda.gov/programs-services/business-programs/rural-cooperative-development-grant-program>



## 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](http://wegnercpas.com/industries/cooperatives).





# New offices/logos, milestones, mergers, and more

## Allied Cooperative and ProVision Partners announce merger

Allied Cooperative and ProVision Partners Cooperative in March announced a merger of the two companies, effective October 1, 2023. The combined co-op will have over 600 employees and serve customers across central Wisconsin.

Rob Larson, Provision Partners CEO, said "Our members have recognized the opportunities a combined cooperative can provide and we are eager to move forward together as one stronger unit. This opportunity combines two like-minded, successful cooperatives in a way that allows us to diversify our businesses through size and scale to meet our member and customer needs today and well into the future." Allied CEO Tim Clemens said, "The combination of our two cooperatives presents substantial opportunity for synergies, resulting in enhanced value for our member owners. It will allow us to reduce duplicate efforts while gaining operational efficiencies and allowing our employees to grow and develop."

Allied's roots date to 1918. Its services include agronomy, grain, LP, refined fuels, hardware, tires, auto parts, country stores and convenience stores. ProVision's roots date to 1912. Its services include agronomy, feed, grain, LP, refined fuels, country stores, convenience stores, automotive service and lawn care.

## Organic Valley in-setting program earns 'World Changing Ideas' recognition

Organic Valley's (OV) carbon in-setting program earned recognition as a finalist, along with two honorable mentions, out of 2,200 entries in Fast Company's 2023 World Changing Ideas Awards competition in May.

The main difference between carbon offsets and insets is carbon offsetting involves investing in projects not related to a company's products, while in-setting involves investing in projects related to a company's products. OV's carbon in-setting program rewards farmers for implementing regenerative, climate-smart farming practices, such as tree planting and composting strategies. OV said the program

empowers the company to work toward carbon neutrality without relying on carbon offsetting, while financially supporting family farms' environmental stewardship.

OV aims to collaborate with roughly 500 farmer-members over the next five years, implementing more than 1,200 climate-smart farming practices. Fast Company is a business media brand with an editorial focus on innovation in technology, leadership, and design.

## Governor visits Washington Island to celebrate fiber optic installation milestone

Wisconsin Governor Tony Evers made a trip to Washington Island in May, where he visited the Washington Island Electric Cooperative to celebrate the final phase of bringing fiber optic internet service to the island thanks to a \$2.5 million grant from the Wisconsin Public Service Commission. The grant will help the cooperative bring reliable high-speed fiber internet to nearly 800 homes and businesses across the island, which at one time experienced some of the poorest internet service in northeastern Wisconsin.

The cooperative's efforts to bring a modern fiber optic network to the island were profiled in the January issue of *Cooperative Focus*.

The cooperative's efforts to bring a modern fiber optic network to the island were profiled in the January issue of *Cooperative Focus*.

## Organic Valley creamers recognized as Product of the Year award winner

Organic Valley's flavored creamers won top honors in the Coffee Creamer category at the 2023 Product of the Year USA Awards competition held earlier this year.

Determined through a national study of 40,000 American shoppers in partnership with Kantar, a global leader in consumer research, Product of the



Clinton Triplett, of contractor Quantum Technology, provides a fiber optic fusion splicing demonstration for Governor Evers during the governor's visit to the Washington Island Electric Cooperative.

Year is the largest consumer-voted awards program centered around product innovation.

According to Organic Valley, the company's organic creamer option contains 40 percent less sugar than the leading flavored creamer brand, has no artificial ingredients, and is lactose free.

## WESTconsin Credit Union announces new Rice Lake office

WESTconsin Credit Union plans to open a new office in Rice Lake, with groundbreaking slated for September, 2023 and the office scheduled to open in June, 2024. The full-service office, WESTconsin's first in the Rice Lake area, will feature modern technology, equipment and staff. Members can visit for everyday transactions, meet with mortgage loan originators, business loan officers, and investment team advisors.

"The new Rice Lake office is a significant step towards enhancing our commitment to the community. We are excited to provide exceptional financial services and experiences that empower our members to achieve their goals," said Jim Wookey, chief operations officer.

WESTconsin currently has 15 offices serving members in a geographical area stretching from west central Wisconsin to east central Minnesota.

## Foremost Farms racks up awards at Los Angeles International Dairy Competition

Foremost Farms dairy cooperative received 21 gold, silver and bronze awards for its portfolio of cheeses at the 2023 Los Angeles International Dairy Competition held in April. Foremost went home with more than 11 percent of the total awards in the competition.

The cooperative received awards for multiple varieties of cheddar, mozzarella, muenster, Monterey Jack and provolone produced at its cheese manufacturing plants in Appleton, Clayton, Lancaster, Marshfield and Richland Center, all located in Wisconsin.

"The people who work in Foremost Farms plants and on the operations team are known for making great cheese, butter and dairy ingredients. We're proud of them every day, and we're pleased with our representation in this competition," said Greg Schlafer, president/CEO.

Foremost Farms has secured many top awards in recent years competing against companies from other states and countries including California, Wisconsin, Illinois, Massachusetts, Maryland, Missouri, New Jersey, New York, Pennsylvania, Tennessee and Virginia, Great Britain, France, Spain, and the Netherlands.

## Westby Community Credit Union opens second branch in Reedsburg

Westby Community Credit Union (WCCU) is opening a second branch location in Reedsburg, Wis. this summer. The new branch will feature a full-service lobby, private offices for account opening and loan appointments, drive-up lanes, a walk-up window, and an ATM. The new office will have approximately 3-4 staff. Art Shrader, chief business development officer, said, "Through the support of our members and the wonderful community of Reedsburg, we continue experience growth. The opportunity for a new location, on the opposite side of town, will allow us to grow and to provide our members with an additional, convenient option."

WCCU currently serves over 9,000 members in the Reedsburg area.

## United Mutual Insurance Group merges with Ohio Mutual Insurance Group

United Mutual Insurance Company announced in May a merger with Ohio Mutual Insurance Group as a subsidiary under Ohio Mutual's mutual holding company structure. The transaction is expected to be completed in the third quarter of 2023. Founded in 1878, United Mutual serves nearly 6,000 policyholders in north-central and western Wisconsin through a network of nearly 40 independent agencies.

"Ohio Mutual is constantly on the lookout for great companies, and United Mutual met our high standards to become an addition to the Ohio Mutual Insurance Group," said Mark C. Russell, Ohio Mutual president/CEO. "We are very excited to add the Wisconsin market to expand and diversify our geographic footprint, and we're looking forward to partnering and growing together with the quality United Mutual team and agent partners."

"This transaction offers a number of benefits for our members," said United Mutual president/CEO Tony Wilke, "We will continue to offer our current products

and provide service through our agent network and the United Mutual brand, and our members will continue to have mutual benefits as members of the Ohio Mutual Insurance Group. We'll be joining an award-winning organization that will enable us to increase our product offerings, expand our geographic reach, and benefit from Ohio Mutual's strong financial position and reinsurance program."

### **CUNA Mutual unifies its various brands under a single brand, TruStage**

In May, CUNA Mutual Group unified its enterprise, business-to-business and consumer brands under the single brand,  TruStage. "We were born out of the credit union movement more than 85 years ago and founded on the principle of people helping people. As we've evolved how we help those we serve, we've always remained anchored to our purpose to make brighter financial futures accessible to everyone," said Bob Trunzo, chief executive officer at CUNA Mutual Group. "Now is the time for our brand to reflect all we do."

"A single identity will make it easier for customers to navigate our offerings. This transition reflects our drive to provide value to our customers and the consumers they serve and will allow us to provide our full array of products and services through a simplified experience," said Eric Hansing, CUNA senior vice president, corporate strategy, marketing and communications.

### **Clark and Price electric cooperatives join solar installation project**

Wisconsin-based Cooperative Network members Clark Electric Cooperative and Price Electric Cooperative are among nine rural electric power cooperatives joining forces to contract with OneEnergy Renewables, a Seattle-based solar power developer, to build a dozen solar installations over the next two years.

The installations will add 22 megawatts of new solar generation, enough to provide power for about 4,000 homes.

Under the agreement with OneEnergy Resources, the cooperatives will buy electricity directly from the local solar farm under a 25-year contract. The power

will flow directly to their distribution systems under a purchased power agreement with One Energy. By joining together, the cooperatives are able to reduce the cost of developing their local solar installations and, as a result, reduce the cost of the electricity they will buy by about 10 percent.

One Energy Renewables has developed 15 projects across Wisconsin, and another 11 in adjacent states.

### **McLeod Co-op Power replacing its second-largest substation**

Glencoe, Minn.-based McLeod Co-op Power is replacing the co-op's second-largest substation, Bell Substation, to improve reliability and accommodate growth in the service territory. The existing substation originally built in 1955 was constructed of wood materials which no longer meets modern electric infrastructure standards. The substation will also be increased to a 10 MVA Power Transformer, with distribution from the new substation planned to serve approximately 1,181 members through 177 miles of line and across 4,425 power poles.

The new substation will feature electronic breakers, which will provide more detailed information for tracking and outage management. Additionally, site expansion will provide a greater setback along State Highway 15, further reducing the risk of vehicle accidents and enhancing the overall reliability of the substation.

Construction of the new Bell Substation was scheduled to begin in June 2023, with a projected completion date of March 2024. The estimated cost of the project is \$1.6 million.

### **Lake Area Community Co-op merges with Community Co-op of Lake Park**

Minnesota-based Lakes Area Community Cooperative and Community Cooperative of Lake Park are now operating as Lakes Community Cooperative following the consolidation of the two cooperatives earlier this year.

Co-op officials said the two companies combined will go forward with a stronger balance sheet and a continued mission of excellent customer service.

The former Lakes Area Cooperative was established in 1912, while Community Co-ops of Lake Park was

established in 1907. Both companies were originated by local farmers to serve their need for a local creamery for selling milk and purchasing supplies needed to run farm operations in the early 1900s. Over the years, as agriculture and needs changed in small rural communities, both companies grew and added new services.

Lakes Community Cooperative offers the following services: refined fuels, propane, convenience stores, hardware stores, country stores, auto shops, natural gGas, HVAC, car washes, meat locker, feed, motel, fertilizer, and ag chemicals.

### **Heartland Credit Union adopts new brand logo, colors**

Heartland Credit Union, a full-service, financial cooperative serving southwestern Wisconsin, has changed its logo and colors.



Company officials said one reason for the changing the logo, which featured a more agricultural look, is to mark the partnership between Heartland Credit Union and Dane County Credit Union in 2022. According to the company website, "The new look represents unification and that Heartland is positioned for future growth and to meet the evolving needs of our members in a fresh, contemporary and bold way."

The website notes, "Heartland Credit Union's agricultural themed logo has been in place for many years. Although the rural members we serve will continue to be an important part of our credit union, we also need to include our urban and suburban members in our brand look. The new logo represents a strong, unified, and forward-thinking credit union. Rest assured that none of Heartland's business or agricultural services or staff is changing."

Heartland Credit Union was formed in 1936 in Madison, Wis.

### **GROWMARK acquires remaining ownership of Allied Seed**

GROWMARK, Inc. earlier this year announced the acquisition of Allied Seed, LLC., based in Nampa, Ida. Allied Seed offers a full line of forage, turfgrass, and cover crop seed as well as custom production,

blending, packaging, and seed treatment services. GROWMARK, which had been the majority owner of Allied Seed, acquired the remaining ownership held by GreenPoint Ag Holdings, LLC, headquartered in Decatur, Ala.

"Allied Seed is a recognized leader in the production and distribution of high-quality forage, turf, and cover crop seeds and is a key supplier to the GROWMARK System," Keith Lawson, GROWMARK vice president of seed. "The acquisition of the remaining stake in Allied Seed supports our overall growth and supply strategies and positions us well to meet the increasing demand for cover crops as part of a comprehensive on-farm sustainability strategy."

Cover crops were planted on an estimated 20 million acres in the U.S. in 2020, according to the University of Missouri Center for Regenerative Agriculture. This number is expected to increase to approximately 30 million acres by 2030 under a new U.S. Department of Agriculture conservation program.

### **Great River Energy doubles commitment to pollinator-friendly habitat restoration**

Great River Energy, a not-for-profit wholesale electric cooperative serving 27 member-owner distribution cooperatives, recently announced a commitment to plant and restore an additional 300 acres of pollinator habitat across current and future eligible sites. The pledge, dubbed Pollinator Strong, is already under way and strengthens the cooperative's commitment to environmental sustainability by creating food and nesting space for animals and insects crucial to a diverse food supply.

"Great River Energy has been re-establishing native habitat for years and we are proud to make an official pledge that supports a healthy ecosystem across the state of Minnesota," said David Ranallo, director of culture, communications, marketing and member relations at Great River Energy. "We have a team dedicated to restoring prairie and pollinator-friendly habitat which benefits the communities our members serve and contributes to the needed national efforts underway to restore pollinator habitat."

According to the Minnesota Department of Natural Resources, only about 1% of Minnesota's native prairie remains today.

**GENEX enters into joint venture with Genetics Australia**

GENEX entered into a joint venture with Genetics Australia, Australia's largest artificial breeding supplier cooperative based in Camperdown, Victoria, effective July 1.

In a press release, GENEX said the joint venture "marks the start to a new collaboration between GENEX and Genetics Australia, as both cooperatives bring together their extensive expertise, resources and cutting-edge technologies to drive advancements in cattle genetics and reproductive services to members and customers across the globe. This mutually beneficial partnership enables each cooperative to leverage the strengths and offerings of the other."

Through this partnership, Genetics Australia will gain access to a wide range of products and services from GENEX, including elite genetics, which will

enhance Genetics Australia's ability to deliver high-quality genetics to their members and customers. In addition, the joint venture grants URUS artificial insemination market channels valuable access to Genetics Australia's diverse grazing genetics and local Australian semen production capabilities, along with the opportunity to expand its global footprint.

**Six new counties added to Group Health Cooperative service area**

Group Health Cooperative of South Central Wisconsin (GHC-SCW) has expanded its Medicaid service area to include six additional counties: Sauk, Columbia, Jefferson, Iowa, Grant, and Lafayette. Previously, GHC-SCW served Medicaid enrollees exclusively in Dane County.

GHC Medicaid enrollees in the seven counties can receive care with any regional GHC network provider within the expanded service area.

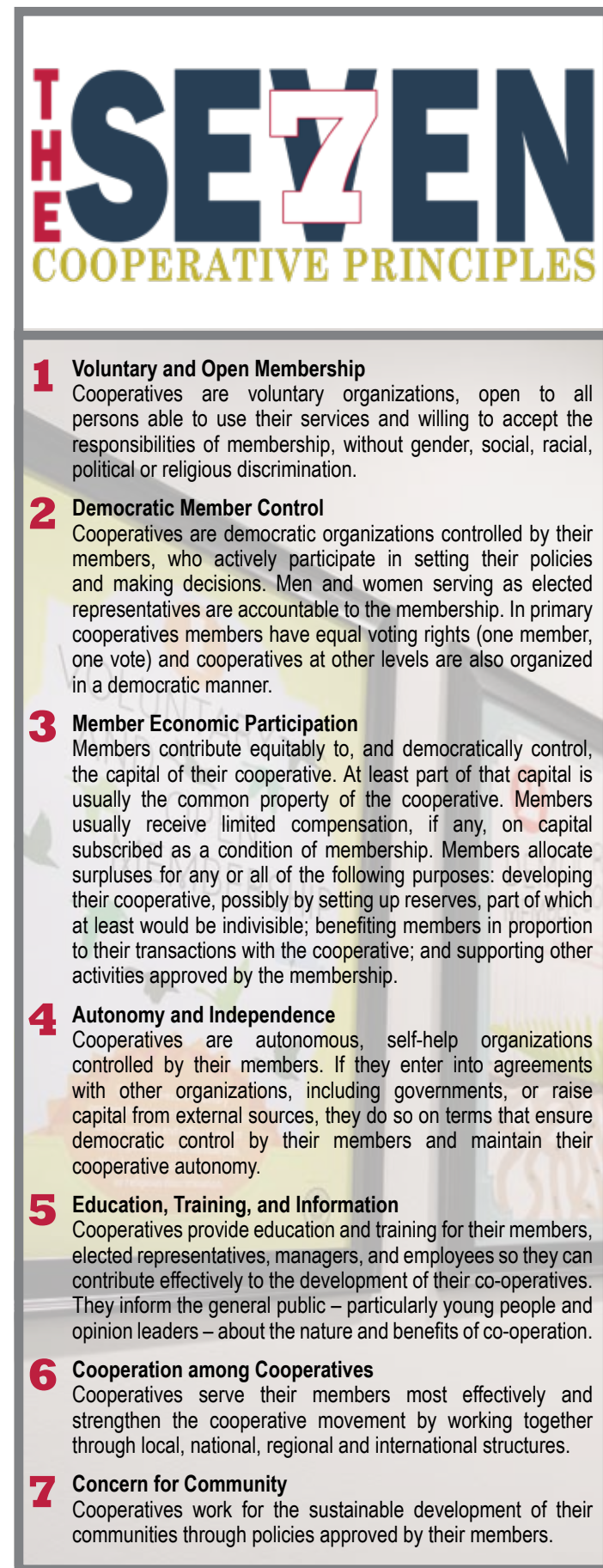


*Cooperative Builder Award*

Nominations are being accepted through August 4, 2023 for Cooperative Network's Cooperative Builder Award, Cooperative Network's highest honor for individuals who have made outstanding contributions at the local, state or national level to advance the cooperative philosophy and ideals.

Honorees will be celebrated at Cooperative Network's annual meeting banquet in November in Minnesota. Nominees may be cooperative members, employees or supporters. Previous winners and current Cooperative Network board members are ineligible.

More information about the award, as well as the nomination form, can be found at: [bit.ly/CN2023CBA](https://bit.ly/CN2023CBA)



**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.



**COOPERATIVE NETWORK BOARD OF DIRECTOR NOMINATIONS ACCEPTED THROUGH SEPTEMBER 8**

Nominations are being accepted until September 8, 2023 for three board of director seats to be elected at Cooperative Network's annual meeting in November, 2023. With the exception of Associate/Friend of Cooperatives members, current staff and members from Cooperative Network members in good standing are eligible for nomination.

As representatives of cooperative members throughout Minnesota and Wisconsin, Cooperative Network's nine-person board of directors helps guide future activities and priorities of the organization.

For more information, and to download the nomination form, go to: [bit.ly/CN2023BOD](https://bit.ly/CN2023BOD)



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# Co-op history reflects efforts to achieve common economic, social, cultural goals

Co-ops are owned by their members – the people who use the cooperatives' products and services – and are driven by service rather than profit. There are thousands of cooperatives operating in dozens of industries.

Early co-ops were set up in a variety of sectors to help their members realize their common economic, social, and cultural needs and aspirations.

The first U.S. cooperative was a **town mutual insurance company** in Philadelphia organized in 1752 by Benjamin Franklin. The company was called "The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire."

The first mutual fire insurance companies in Wisconsin were organized in 1860, one in Manitowoc County and the other in Kenosha County. Like Franklin's company, many town mutuals got their start when neighbors joined together to insure their farms and homes – primarily because big insurers ignored them or charged exorbitant prices.

- Today, town mutuals primarily serve farmers, rural homeowners, and many small Main Street businesses.

**Dairy cooperatives**, first established in the early 1800s, were among the first type of agricultural co-ops in the United States. They pooled milk from neighborhood farms, processed it into cheese and shipped it to urban areas for sale. Today, dairy co-ops vary in scope from bargaining associations to fully integrated marketing and processing cooperatives to small, local cheese-processing co-ops.

- The first dairy cooperative in Wisconsin was started and operated by a woman, Ann Pickett.

Beginning in 1841, she made cheese in her home from milk produced on a number of dairy farms near Lake Mills in Jefferson County. Much of the cheese was shipped to the "big city" of Milwaukee for sale.

- In 1913, representatives of cheese factories in Sheboygan County, Wis., organized the first federation of cheese factories.
- By 2013, cooperatives accounted for 78.1 percent of U.S.-marketed milk.

**Cooperative housing** is controlled and managed by residents and can take many forms – from high-rise apartments to single family housing.

- There is no consistent answer as to when the first cooperative housing community was built in the United States. Most sources point to a Manhattan property in 1876 and peg New York as a forerunner in co-op housing development.
- Senior housing cooperatives first appeared in Minnesota in 1978 and today have over 90 percent concentration in Minnesota and Iowa.

Working class citizens formed the **U.S. credit union movement** in the early 1900s in search of affordable financial services only available to the wealthy. By pooling their deposits and shares to finance loans, ordinary citizens gained access to better returns on savings, lower rates on credit, and fewer fees on average.

- A group of Franco-American Catholics in Manchester, N.H., organized the first U.S. credit union, St. Mary's Cooperative Credit Association in 1909.
- In 1934, Franklin D. Roosevelt signed the Federal Credit Union Act into law, creating a national system to charter and to supervise federal credit

unions. Today, more than 100 million people belong to credit unions in the United States.

- Credit unions did not receive taxpayer bailouts during the 2008-09 financial crisis. Rather, insured credit unions opted to pay back the government costs of establishing a fund to protect member deposits.

Congress established the **Farm Credit System** in 1916 to guarantee American agriculture a reliable source of credit.

- The Farm Credit System is a nationwide network of borrower-owned lending institutions and specialized service organizations that provides loans, leases, and related services to farmers, ranchers, rural homeowners, aquatic producers, timber harvesters, agribusinesses, and agricultural and rural utility cooperatives.
- The Farm Credit System provides more than one-third of the credit needed by rural Americans.

**Rural electric and telephone cooperatives** were formed when the cost of expanding service to rural areas discouraged for-profit utilities from serving these areas.

- In 1936, Franklin D. Roosevelt signed the Rural Electrification Act as part of his New Deal programs to overcome the Great Depression. The law allowed the federal government to make low-cost loans to fund rural electric cooperative start-ups. At the time, just 10 percent of rural Americans had access. By 1950, 90 percent of American farms had electricity.
- In rural areas, the model was often used to provide telephone service. Today, telephone cooperatives serve about five percent of the U.S. population, but their service area covers more than 40 percent of the country's land mass.

**Cooperative health maintenance organizations (HMOs)** were organized after passage of the federal HMO Act of 1973 to help consumers address rising health-care costs and physician shortages. The Affordable Care Act of 2010 included a loan program that financed the creation of 23 nonprofit health insurance cooperatives across the nation.

- Cooperative HMOs are different from for-profit HMOs, which operate more like insurance processors. Co-op HMOs are not-for-profit health

care providers that own medical facilities and employ medical staff.

- Nearly all HMOs are structured as true cooperatives and provide a new form of high quality, low cost, and member-governed health insurance in their respective states.
- Cooperative HMOs and co-ops devote financial surpluses to facilities, benefits, and services.

**Farm supply and marketing cooperatives** formalized in the mid-to-late 19th century, focusing on lowering the cost of basic farm production supplies and maximizing farmer profits on the sale of their goods.

- In 1922, the Capper-Volstead Act exempted agricultural cooperatives from antitrust laws that had prohibited producers from collectively processing, preparing, handling, and marketing their own products. Often called the "Magna Carta of Cooperatives," the Act was introduced by U.S. Senators Andrew Volstead of Minnesota and Arthur Capper of Kansas.

*From Cooperative Network's archives (updated June 2023)*



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## 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.



(Wisconsin Historical Society photo)

# A look back at the rural cooperative creamery

by Jeanne Carpenter

While it may seem as if Wisconsin has always been known as the dairy state, America's Dairyland actually started out as America's Breadbasket.

During the 19th century, Wisconsin was better known for its wheat production. In the later part of the century, however, the rapid failure of wheat in the region started a dairy revolution and the creation of rural cooperative creameries. Today, rural co-ops continue to make a difference in the lives of thousands of dairy farmers in Wisconsin and other Midwestern states, including Minnesota.

So how did Wisconsin transition from making bread to making cheese? First, a bit of history. In the early days of Wisconsin's rise to agricultural dominance, wheat was a natural choice for farmers. It required little initial investment, and it was relatively easy to grow and could be harvested twice a year, leading to double-the-profit opportunity. However, it exhausted the nutrients in the soil, and farmers did not yet know the science of fertilizer or rotational

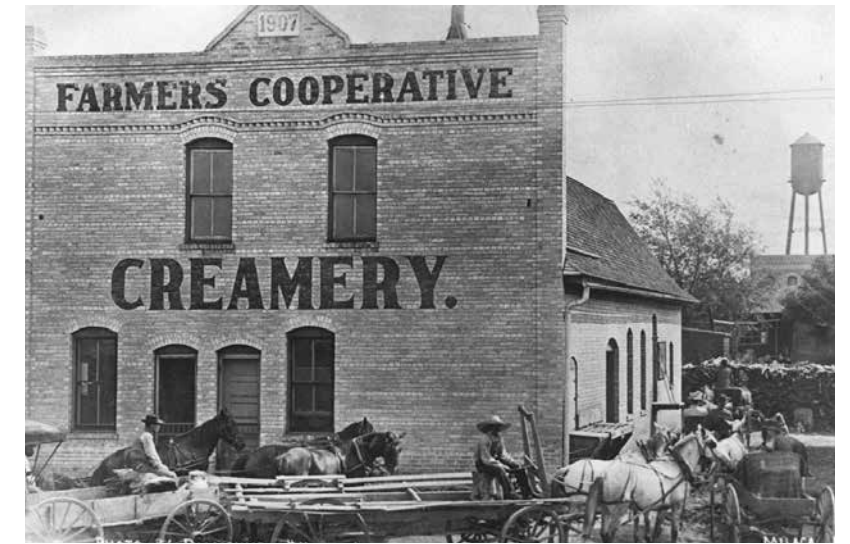
cropping. As a result, yields tended to vary greatly year to year and steadily declined.

Then in the late 1870s, the price of wheat crashed, causing farmers to look for alternative crop options. By this time, advancements in soil science determined the soil and climate in Wisconsin was better suited for growing crops fed to animals. Farmers took notice of the success that other states with similar climates, such as New York, had found with dairy, and by 1899, more than 90 percent of Wisconsin farmers were raising and milking dairy cows.

With such a large number of dairy farms, Wisconsin had to find a way to use the increasing amount of milk produced each year. Many farmers favored making cheese over butter because of its longer shelf life. Farmers knew they had to organize to build cheese factories and find cheesemakers.

One of the earliest commercial cheesemakers in Wisconsin began making cheese in Jefferson County in 1837. By 1841, another dairy farming family had

The transition from wheat to dairy in the 19th century spurred the creation of rural cooperative creameries in the Midwest. Pictured (left and right), dairy farmers wait their turn delivering milk to creameries.



(Minnesota Historical Society photo)

settled in Jefferson County, and along with several other farmers, they created the first dairy cooperative in the nation. The new business model allowed the dairy farmers who produced the milk to control the business and hire a cheesemaker to make and market the cheese produced from their milk.

While the first rural cooperative creamery in Wisconsin comprised just five families and 10 total cows, dairy cooperatives soon began to grow in popularity. The democratic nature of the business model and the potential economic benefits for all involved were attractive to both farmers and cheesemakers.

Before long, rural cooperative creameries were a mainstay in the state. Many still exist, including Chalet Cheese Cooperative near Monroe, the only remaining factory in the United States still making limburger. In 1885, five dairy farmers founded Chalet Cheese Cooperative, and it continues to flourish today.

While the model of rural cooperative creameries is more than 100 years old, newer co-ops have sprung up in the last few decades, including one of the largest and most successful, CROPP Cooperative, better known by the brand Organic Valley, based in La Farge, Wis.

In the late 1980s, many family farms were being bought by larger corporations or going out of business. Some farmers in southwest Wisconsin's

Coulee Region did not want to follow the "get big or get out" model, so in 1988, following one of the worst droughts in Midwestern history, they decided to take their fate into their own hands. They called a meeting and decided to continue farming together in a sustainable way, and they knew they wanted to form a cooperative. The new venture began as an organic produce cooperative, and it brought on dairy farmers soon after. More than 30 years later, Organic Valley remains committed to the same ideals it was founded upon, as well as to its small-town roots. Thousands of family farmers scattered across the United States now belong to the cooperative, and its dairy products are available both nationally and internationally in dozens of countries.

While the business model of the rural cooperative creamery is more than 175 years old, the model continues to thrive. The original democratic principles that founded rural dairy cooperatives continue to work today, perhaps because a cooperative's member farms are committed to the same beliefs and ideals and because all members work toward a common goal.

One of the original goals of the first rural cooperative creamery continues to ring true: farmers work together to craft high-quality milk while working collaboratively with a cheesemaker to make high quality cheese. It's a system that seems to work well in Wisconsin.

(Reprinted from *Edible Madison*)

# Co-ops are a product of a ‘cool, radical and rebellious tradition’

by Erik Dregni

I remember my mom helping at the local food co-op and she'd bring home the bulgur wheat and spelt, and mix up a big batch of soy grit chili. Uff! As a disgruntled youth, I just wanted sugary processed "Jell-O-in-a-Cloud" in colors never seen in nature, fast food dripping with delicious grease, or at least meatloaf. Only later when I avoided obesity or a crippling heart attack by age 18 could I thank my mother. I also learned that these co-ops came from a cool radical and rebellious tradition.

Scandinavians who escaped abject poverty back home had a grueling ocean voyage to get to the Midwest and had to band together to survive. They formed cooperatives to stave off the brutal capitalist robber barons.

The railroad industrialist James J. Hill once said, "Give me Swedes, snuff, and whiskey, and I'll build a railroad through hell!" Scandinavians soon realized that hard labor in exchange for booze and tobacco was not such a good deal. Yankee profiteers viewed the new Nordic roundheads as "dumb Swedes" and took advantage of them any way they could.



Co-op creamery milkman in Granite Falls, Minn. (Minnesota Historical Society photo)

Then minister Lars Jørgensen Hauge saw a Danish immigrant woman break down in tears after she was only given five cents a pound for her deliciously sweet butter. How could this be? He had seen the cooperative creameries in Denmark, so he traveled the Midwest preaching his "butter sermons" from the bully pulpit. Farmers got the message and formed more than a thousand cooperative creameries in the Midwest—mostly in Scandinavian enclaves—to give the profits back to the farmers and keep the cash out of the hands of the capitalist speculators.

Co-op stores popped up to bypass the established mercantile giants that gouged these poor settlers to keep them in poverty. This Scandinavian cooperation raised the standard of living for all its members rather than just the owners. Some of the co-ops would offer credit to struggling farmers without the predatory lending rates of the Yankee stores and banks. In 1925, a Michigan co-op member said, "The co-operative store should not be a mere business institution, but should be...a weapon in the struggle for

the emancipation of the working class." This was radical stuff.

Superior, Wis. was one of the state's co-op headquarters where Finnish immigrants set up the Cooperative Central Exchange. The language barrier for the Finns often isolated them, so they formed progressive, self-sufficient co-ops. The saying went that if two Finns were walking together on a Saturday night, they were either going to the sauna or to organize a co-op.

The Granger movement in Wisconsin had fought the railroad monopoly and its ownership of all the grain elevators as well. Just as the cooperative creameries and co-op stores cut out the capitalist, so did the co-op grain elevators that stand high on the prairie as "Skyscrapers of the North."

North Dakota's Nonpartisan League, the socialist wing of the Republican Party, went a step further with a state-owned North Dakota Mill and a North Dakota Bank that still guarantees cheap loans to students. This vision of a "cooperative commonwealth" struck a chord in Wisconsin with the arts and crafts artists who envisioned a socialist society that elevated the craftsman tradition of the workers.

I now know that with each bite of that soy grit chili from the co-op or cheese from the local creamery, I'm making a political statement with a revolutionary history, even if that rot-gut Whopper still looks scrumptious.

*Eric Dregni teaches English at Concordia University in St. Paul. He's the author of several books including Vikings in the Attic: In Search of Nordic America.*



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## October is Co-op Month

For more than half a century, cooperatives across the nation have recognized October as Co-op Month, where the endless ways that the Cooperative Business Model is used to meet the needs of members is celebrated. Individual cooperatives reflect on their history, cherish their achievements, and recognize the principles shared with cooperatives both domestically and around the world. October is also a time to educate others about what can be accomplished through cooperation.

The governors of many states, including Minnesota and Wisconsin, help commemorate Co-op Month by issuing proclamations declaring October is Co-op Month.

### About Co-op Month

- Co-op Month has deep roots in Minnesota, with the first official State proclamation signed by then Minnesota Governor Luther Youngdahl in 1948, and the celebration turning national in 1964 when former Minnesota Governor Orville Freeman – then U.S. Secretary of Agriculture – proclaimed a national Co-op Month.
- The first national theme in 1964 was “Cooperatives: USDA Helps Build a Better America.”
- The U.S. Government sponsored Co-op Month from 1964-70.
- Since 1971 cooperatives, statewide associations, and the National Cooperative Business Association have fueled their own events and promotions.



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