



# Cooperative Models

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**Jackie Francke, Director of Programs & Administration  
First Nations Development Institute**

**Maria Miller, Director of Education  
National Farmers Union**

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# Let's Begin

## *Cooperatives Defined:*

Cooperatives are organizations/associations that are formed to meet common economic, social, and cultural needs of the groups they serve.

Example I: Food co-op – people come together as members to purchase food as a large group, thereby reducing food costs.

Example II: A cattle association – ranchers come together to market as a group to increase profitability and possibly reduce operating costs.



# Structure

- Controlled equally among membership
- Opportunities and services are disbursed equally
- Board of Directors are in place to insure alignment of mission & vision of the organization
- Executive Director and staff in place to manage day-to-day operations



To coordinate education and training programs, develop marketing strategies, coordinate the transfer of surplus buffalo from national parks to tribal lands and provide technical assistance to its membership in developing sound management plans that will help each tribal herd become a successful and self-sufficient operation.



# Structure

- The BIG question: Can a cooperative be a nonprofit organization?
- *“Under some state statutes in some states, cooperatives are considered a type of nonprofit corporation, since a cooperative’s primary orientation is to benefit members, providing goods or services at cost. Thus an organization incorporated under a cooperative statute may be considered a cooperative business corporation in one state, but may be considered a nonprofit corporation in another.”*

University of Wisconsin Center for Cooperatives  
Research on the Economic Impact of Cooperatives

<http://reic.uwcc.wisc.edu/issues/>



# Structure



Example III: Sunkist is a not-for-profit marketing cooperative entirely owned by and operated for the California and Arizona citrus growers who make up its membership. As a member, each individual grower joins with other growers to gain a mutually larger market share.

Cooperatives provide small producers with:

- Increased access to resources
- Working capital
- Decreased operating costs
- Access to education and training
- Increased profitability



# Potential Emerging Models In Native Communities

## **Community Farms:**

*Existing Markets:* Local Schools, Senior Centers, Farmer's Markets, Food Co-ops, Casinos

*Strategy:* Farms currently in place, farmers would need to come to a consensus on what market they would like to enter, everyone has to be on board.

*Opportunities:* Seeds could be purchased as a group – reducing costs. Co-op could find the markets & provide technical assistance.

*Challenges:* Everyone has to be on board, organization has to have clear directives from membership.



# Example: First Nations Grantee – Navajo Nation New Lands Chapter

## Source Verified Beef:

*Current Market:* Navajo Casinos

*Strategy:* Work with Navajo Ranchers relocated to New Lands to raise source verified beef.

*Opportunities:* Education & training provided to the ranchers, marketing is provided on behalf of the group, vaccines & feed purchased as a group. Group sells high quality beef at top dollar.

*Challenges:* Getting everyone on board, meeting the demand of the customers.





# Example: Hays CDC

## **Food Purchase Cooperative:**

*Members:* Tribal community members

*Strategy:* Purchase food collectively as a group.

*Opportunities:* Education & training on food preparation, lower food costs for community members, increased access to fresh foods.

*Challenges:* Getting everyone on board.



# Opportunities for Startup

## **USDA Rural Cooperative Development Grants (RCDG):**

To improve the economic condition of rural areas by assisting individuals or entities in the startup, expansion or operational improvement of rural cooperatives and other business entities. Grants are awarded competitively on an annual basis to Rural Cooperative Development Centers who in turn provide technical assistance to individuals and entities.

Website: [http://www.rurdev.usda.gov/bcp\\_rcdg.html](http://www.rurdev.usda.gov/bcp_rcdg.html)

