

Steps to Organizing a Cooperative

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EXAMPLES OF NEW MARKETING COOPERATIVES BEING FORMED

- Illinois Organics - storage and marketing of organic soybeans and specialty grains
- Southern Illinois Vegetable Growers Coop - minority farmer marketing of vegetables to retail and wholesale
- Illinois Aquaculture Cooperative - marketing pond-raised catfish

EXAMPLES OF RECENTLY FORMED MARKETING COOPERATIVES

- Green Meadows Hay Cooperative (Iowa) - forage marketing
- Heartland Organic Marketing Co-op (Iowa) - contracting, scouting, and marketing of organic tofu soybeans to Japan
- Minnesota Winegrowers Association

SUMMARY OF ORGANIZING A COOPERATIVE

- A cooperative is a BUSINESS that serves the needs of producers, to their MUTUAL BENEFIT. Regardless of the cooperative's purpose or membership, starting a cooperative requires a great deal of time, energy, commitment, and technical resources.

STEPS TO ORGANIZING A COOPERATIVE

- Commit yourself to doing research (newspapers, magazines).
- Call USDA-RD, CES specialists in other states, state departments of agriculture, UW-CC, etc.
- Hold an exploratory meeting with producers. Present the concept. If interest is shown, form a steering committee.
- Complete a survey of area residents or producers to evaluate actual level of need, level of understanding, and willingness to invest.
- Develop a business plan and present it to potential members in a professional and organized manner, at a closed meeting.
- Sell shares of stock or membership to interested investors; deposit in escrow.
- Draw up legal documents via a committee:

- Articles of incorporation and bylaws
- Membership applications
- Marketing agreements
- Equity certificates
- Elect an incorporating board that has leading producers on it - AND represents ALL the members.
- Hire the pre-selected manager to carry out duties of start-up of the cooperative.
- Look for someone who enjoys promotion.
- Build, lease, or rent equipment and facilities.

HELPFUL HINTS

- Use committees.
- Allow sufficient time between meetings.
- Set meaningful agendas (all meetings should be held for a specific purpose).
- Schedule and demand committee output.
- Be realistic about capitalization.