American Agriculture Cooperates:
Economics, Research and Structure of Farmer Owned Cooperatives

Washington, DC – April 19, 2012, For Immediate Release – Examining producer owned cooperatives, which are an important part of the U.S. economy and particularly prevalent in the agricultural sector, is the subject of National C-FAR’s sixth Research Hill Seminar of 2012 on Monday, April 23, at 10 AM in 337 Russell Senate Office Building and again at a ‘Lunch~N~Learn’ at noon in 1302 Longworth House Office Building. The featured speaker is Dr. Phil Kenkel, Department of Agricultural Economics, Oklahoma State University.

“Research which enhances the success of cooperatives has the potential to impact the more than 2 million producers who are members of agricultural cooperatives,” says Dr. Kenkel.

“This presentation provides an excellent example of the value of federally funded food and agricultural research in producing the scientific outcomes and outreach needed to meet 21st century challenges and opportunities,” says Chuck Conner, President of the National Coalition for Food & Agricultural Research (National C-FAR).

Abstract: Farmer owned cooperatives are an important part of the American agricultural sector and part of a broader cooperative business model that is successful in all sectors of the U.S. and world economy. Successful cooperatives provide direct benefits to their customer owners. The presence of cooperative firms helps to keep markets competitive. Research has also demonstrated that businesses organized as cooperatives have higher economic impact and job creation in the rural community relative to firms owned by outside investors. Agricultural cooperatives provide producers with economies of scale, improved market access and reduced risk. Along with their unique advantages, cooperative firms face unique challenges in finance, governance, management and communications. These issues are inter-related with the cooperative financial model in which equity reserves are created out of the profit stream. Some specific financial issues reflect the fact that tax credits and other provisions are often not designed to be compatible with the cooperative financial structure. There is a need for continued public-private partnerships for research on cooperatives. There is also the need to create a better understanding of the cooperative business model among policy makers, accountants, consultants and attorneys. Policies targeting other industries can have unintended consequences on cooperatives. The lack of familiarity with the cooperative business model among support professionals is an impediment to the development of new, successful cooperatives.

Seminar presentations are available at http://www.ncfar.org/Hill_Seminar_Series.asp. The seminar is open to the public and the media.

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NATIONAL C-FAR is a nonprofit, nonpartisan, consensus-based, and customer-led coalition that brings food, agriculture, nutrition, conservation, and natural resource stakeholders together with the food and agriculture research and extension community, serving as a forum and a unified voice in support of sustaining and increasing public investment at the national level in food and agricultural research, extension, and education. National C-FAR’s Hill Seminar Series, now in its sixth year, regularly presents leading-edge researchers working to provide answers to pressing issues confronting the public and Congress. The Hill Seminar Series helps demonstrate the value of public investment in food and agricultural research—investment that returns 45 percent per year on average, and $20 in economic benefit from every $1 investment in food and ag research. Go to http://www.ncfar.org/Hill_Seminar_Series.asp for more information about the seminar series and past topics. Interviews with National C-FAR President Chuck Conner are available by request. For additional information, go to www.ncfar.org; or contact Tom Van Arsdall, Executive Director, at tom@vanarsdall.com or (703) 509-4746.