



Cornhusker Economics

Nebraska Cooperative Development Center – Twenty Years Strong

Market Report	Year Ago	4 Wks Ago	4/19/19
Livestock and Products.			
Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	*	*	130.00
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	188.49	179.33	183.34
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	145.71	151.36	155.53
Choice Boxed Beef, 600-750 lb. Carcass.	211.78	224.94	232.50
Western Corn Belt Base Hog Price Carcass, Negotiated	58.36	48.42	81.17
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean.	67.26	62.87	85.88
Slaughter Lambs, woolled and shorn, 135-165 lb. National.	149.52	141.07	152.54
National Carcass Lamb Cutout FOB.	373.54	372.16	378.29
Crops.			
Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	4.30	3.83	3.83
Corn, No. 2, Yellow Columbus, bu.	3.57	3.41	3.44
Soybeans, No. 1, Yellow Columbus, bu.	9.42	7.84	7.75
Grain Sorghum, No.2, Yellow Dorchester, cwt.	5.81	5.29	5.36
Oats, No. 2, Heavy Minneapolis, Mn, bu.	2.72	3.11	3.29
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	*	175.00	*
Alfalfa, Large Rounds, Good Platte Valley, ton.	*	105.00	123.33
Grass Hay, Large Rounds, Good Nebraska, ton.	87.50	92.50	*
Dried Distillers Grains, 10% Moisture Nebraska Average.	170.00	145.50	133.50
Wet Distillers Grains, 65-70% Moisture Nebraska Average.	55.00	50.00	46.00
* No Market			

Since 1999, the Nebraska Cooperative Development Center’s has provided technical assistance, education and training to groups who are developing or are considering the development of a cooperatively owned business. The primary objective has been and is to improve the economic condition of rural areas through cooperative business development.



NCDC continues to be committed to working with communities and organizations from idea formation to implementation.

As we reflect on the 20th year of the Center, this article revisits the cooperative model. Often in economics, cooperatives are described as formed for a market failure. That may be the case, but that failure creates an opportunity to work together. Working together is a Nebraska way of doing things. The flood has emphasized that and the Nebraska Strong slogan. The model in rural communities may be the best solution and approach regardless of the situation.

Many in rural Nebraska are familiar with agricultural cooperatives. The most common types are marketing and supply cooperatives. A marketing cooperative may focus on bargaining, grading, transporting, processing, distribution, research and product development. The Nebraska Cooperative Council¹ highlights other types of agricultural cooperatives such as service or regional cooperatives. These cooperatives have been successful at meeting the needs of its members. Meeting the needs of its members is a key tenant of the cooperative model.

¹ <https://www.nebr.coop/co-ops-today/nebraska-cooperatives/>

Have you considered how your community or industry can apply the cooperative model?

Cooperatives are generally created for the following reasons:

- To provide a service or need in the community
- To improve bargaining power
- To reduce costs
- To obtain products or services otherwise unavailable
- To expand new and existing market opportunities
- To increase income

The cooperative WHY is important to bring people and/or communities together to work towards a common goal.

Definition & Principles

First, a brief definition and principles to the cooperative model. By definition, a cooperative is an association of persons (organization) that is owned and controlled by the people to meet their common economic, social, and/or cultural needs and aspirations through a jointly-owned and democratically owned business (enterprise). A cooperative is an autonomous association of person united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.



A people that values its privileges above its principles soon loses both."

-Dwight D. Eisenhower

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.²

Type of Cooperatives –

Next, think of the types of cooperatives. Are you concerned that a business or service in your community will not transition into the future? Are one of these models something your community should consider?

The following are typical types of cooperatives:

² <https://cooperationworks.coop/about/cooperative-principles/>

1. **Retail Cooperatives.** Retail cooperatives are a type of *consumer cooperative* which help create retail stores to benefit the consumers--making the retail *our store*. They allow consumers the opportunity to supply their own needs, gain bargaining power, and share earnings. NCDC recently worked in a number of communities to establish grocery cooperatives. One example, the Elwood Hometown Cooperative Market³ opened in 2013 after the local grocery store closed in 2012. Working together, the community invested \$307,000 which included buying and remodeling the building, purchasing equipment and stocking the store with inventory.
2. **Worker Cooperatives.** Members of worker cooperatives are both employees of the business as well as owners of the cooperative. Worker cooperatives have been growing across the United States. SBA⁴ is now offering money to help employee-owned business with the passage of Main Street Employee Ownership Act of 2018⁵. The legislation which improves access to capital and technical assistance for employee-owned businesses will greatly help worker co-ops. For more information, visit a small business development center.
3. **Producer Cooperatives.** Producer cooperatives are created by producers and owned and operated by producers. Examples of a producer cooperative created in Nebraska is Heartland Nuts 'N More⁶. This cooperative successfully opened in 2003. The main office is located in Valparaiso, Nebraska and brings together black walnut growers from Nebraska, Kansas, Iowa and Missouri.
4. **Service Cooperatives.** Service cooperatives are a type of *consumer cooperative* which help fill a need in the community. This can be child care, health care, etc. This is another growing cooperative in the United States. Nebraska has examples of multi-owner day cares.
5. **Housing Cooperatives –** Housing cooperatives are a type of service cooperative that is growing rapidly as well. Especially in your expensive urban areas as well as in some rural areas. For example, Montana has been successful in implementing this type of model. NCDC is learning more about the process to see if it may be feasible in Nebraska.

³ <http://bit.ly/2PnxIi8>

⁴ <https://americassbdc.org/>

⁵ <https://www.govtrack.us/congress/bills/115/hr5236>

⁶ <https://ncdc.unl.edu/Documents/coopHouse02%281%29.pdf>

For more information on the benefits and structures of housing cooperatives check out this Housing Cooperatives PDF⁷ by the University of Wisconsin Center for Cooperatives.

Visit the NCDC site for more information on the types of cooperatives⁸.

In review, the cooperative model is about members solving their own problems. It is –

- Collective ownership – *not self-interest*
- Collective control
- Members contribute financial
- Democratic governance
- Member Participation --- cooperatives are used by members, owned by members.

To better understand the NCDC impacts, a longitudinal survey will be conducted in May 2019. In addition to impacts, we want to follow-up with past participants to understand successes, potential opportunities and how we can better serve.

Over the last twenty years, NCDC has worked with well over 100 businesses. During 2018 Jim Crandall retired and early 2019 Elaine Cranford left to focus on family and business. Jim has been with NCDC since its inception and Elaine for the majority of the time. NCDC will miss their combined expertise and vision for Cooperative Development in Nebraska. Thank you to Jim and Elaine.

As we look to the next 20 years, NCDC will continue to focus on assisting rural communities with developing cooperatively owned businesses. Cindy Houlden, Skylar Falter and Charlotte Narjes will be working together to build upon past successes. Skylar will be working with us soon on helping those working in area of local foods to explore multi-ownership opportunities.

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We look forward to cooperatively working with you!

⁷ <https://ncdc.unl.edu/Documents/coopHouse02%281%29.pdf>

⁸ <https://ncdc.unl.edu/typescooperatives.shtml>

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