



Cornhusker Economics

Owning Our Identity – Celebrating Cooperatives in 2023

Owning Our Identity is the 2023 theme to build awareness of cooperatives nationally. October has been nationally recognized as cooperative month since 1964. The following bullets in this year's [USDA Proclamation](#) emphasize the impact of cooperatives.

- There are more than 30,000 cooperatives including food, grocery, worker, retail, purchasing, utility, and financial cooperatives that account for more than 2 million jobs and generate more than \$700 billion in annual revenue.
- There are more than 1,670 agricultural co-ops generating \$300 billion in revenue for America's farmers from nearly 10,000 locations of business.
- The cooperative model is sustainable and resilient as evidenced by the fact that 23 percent of agricultural co-ops are more than 100 years old, and 54 percent are more than 75 years old.

What is the cooperative identity? The International Cooperative Alliance describes the cooperative identity as the values of the cooperative along with seven cooperative principles. The cooperative values are described as 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.

Cooperatives are distinguished by principles and practices. Three principles that are unique to the cooperative business structure are:

- **User-owned** – The users of the cooperative own it. Ownership is a commitment.
- **User-control** – Cooperatives are controlled democratically by the people who use their services.
- **User-benefits** – Benefits are derived and distributed on the basis of use. These benefits may include improved sense of well-being, profits, better prices, access to services. The benefits happen because people work together.

Benjamin Franklin is recognized as founding the first recognized cooperative business in the United States. This mutual fire insurance company is still in existence today. Beginning in the early 1900s, the American Farm Bureau and the National Farmers Union provided assistance in forming ag cooperatives as well as lobbying for legislation. The Nebraska Cooperative Council in its October 2023 Impact Report shows that there are 394 cooperative businesses in Nebraska and 64 cooperative locations.

The 7 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

[Image credit to NCBA CLUSA website](#)

The cooperatives are serving their members well with \$11.9 billion in annual total sales and \$97.4 million in annual patronage allocations. Nebraska’s farmer-owned cooperatives are a cornerstone of the agricultural economy in the state of Nebraska as the Nebraska Cooperative Council has stated.

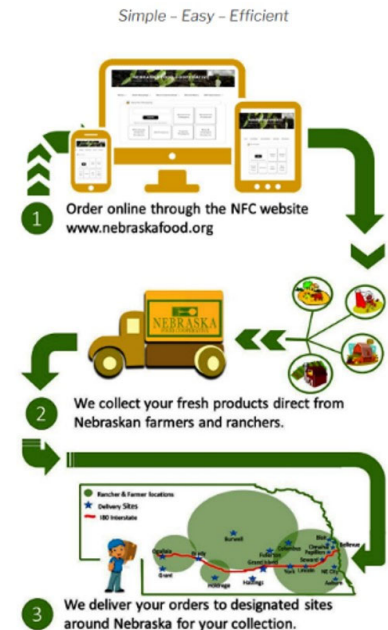
Cooperatives Connecting Consumers to Local Foods

Farmer-owned ag cooperatives are located across rural Nebraska and are not the only ag cooperatives that are having an impact in Nebraska. The following cooperatives are working to connect consumers and local foods:

The **Nebraska Food Cooperative (NFC)** was started in 2005 and functions as an online farmers’ market. During order cycles, members shop online and add items to a shopping basket. At the end of an order cycle, products are collected and delivered to designated pickup sites across Nebraska.

The **Omaha Sunflower Co-Op** is focused on replenishing, strengthening, and elevating the BIPOC community in Omaha. In 2022, Food Day identified the co-op as the producer of the year. Now in 2023, the co-op is offering seedlings wholesale to plant nurseries and businesses.

Salt Creek Farmers’ Cooperative (formerly Salt Slope) is Nebraska’s only worker-owned cooperative. The cooperative arrived at the model by placing the needs of “our” farmers first and foremost. Salt Creek’s primary purpose is to increase Lincoln’s food sovereignty by sharing with others the joy of local, sustainably farmed flowers, herbs, and veggies. Salt Creek is currently working directly with Lincoln and Omaha’s sustainably minded chefs.



Building Awareness

Building awareness of how cooperatives can be used to creatively solve shared challenges was a goal of the [Co-Op Innovation Webinar](#) series in December 2022. Hannah Breckbill with Humble Hands Harvest, a worker-owned cooperative formed in 2017, shared her experiences in forming a small organic vegetable, pastured pork, and grass-fed lamb CSA farm. The farm has two worker cooperative members with employees. While the land is not equally owned, the business is and follows the principles above of user-owned, user-benefit, and user-controlled. During the webinar, Hannah shared the following lessons learned:

- Worker owners need to have some amount of capital/skin in the game.
- Be clear about the power dynamics.
- Dedicate time to reflect.
- Determine how to come to agreement and work together.

Hannah also emphasized the importance of soft skills. She stated that “hard skills can follow from good soft skills and understanding how to work together”. This includes knowing your needs and listening to others. Humble Hands has hired a facilitator to strengthen the working relationship between the worker-owners and employees. Every year the worker-owners take time to reflect and plan for the next year.

A Democracy Work presentation focused on an [Introduction to Worker Cooperatives for Farmers and Start-Ups](#) identified that when planning and starting a cooperative there are two separate cycles. There is a business development cycle and a cooperative development cycle. Cooperative Development elements include:

- Vision – *initial research to see if the idea works.*
- Group forms – *instead of an entrepreneur working on its own a group works on the plan.*
- Clarify Commitments
 - How much time can we put into this?
 - How soon do we need to get paid?

- Do our work styles match?
- Do we have the right skills in the room? *This can be an advantage of a cooperative.*
- Outreach for Help – *other farmers, other cooperatives, centers such as NCDC*
- Small Group Delegation – Decide How to Decide
- Decisions about Structure and Bylaws
 - How will the farm be managed?
 - How will we make big decisions (vision, mission, expansion)?
 - What does it take to become a member?
 - Can we have employees?
 - What are your exit strategies?

NCDC assists groups and communities who are exploring or have formed a cooperative business since 1999. NCDC can guide a cooperative effort from visioning to implementation. Services include facilitation, providing resources, technical assistance, and education.

For more information, visit NCDC.unl.edu. For more information, visit the NCDC website at [Nebraska Cooperative Development Center | Agricultural Economics \(unl.edu\)](http://Nebraska Cooperative Development Center | Agricultural Economics (unl.edu)).

Sources:

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