Cooperatives: The Business of Teamwork
Dear Friend in Co-operation,

On behalf of the Boards of Directors of the National Farmers Union (NFU), the New England Farmers Union (NEFU) and the Neighboring Food Co-op Association (NFCA), we are pleased to bring you this 2012 educational curriculum, *Co-operatives: The Business of Teamwork*. We hope you will find it useful as you work with students of all ages and help them appreciate the values and strengths of the co-operative business model.

Few farm organizations have done more to build successful co-operative enterprises than NFU. Across rural America, Farmers Union organizations and the co-ops they have formed have dramatically improved the lives of countless farmers and brought prosperity to their communities. The Farmers Union crafted the first legislation to make it legal for farmers to form co-operatives, and the protection of those rights has been the highest priority of the organization since its founding in 1902.

Every year NFU presents an education curriculum to its 26 state and regional divisions across the country. In recognition of the United Nations International Year of Co-operatives, NFU chose co-operative enterprise as the theme for 2012. The curriculum introduces co-operative concepts for students in six age groups: Grades 1-2, 3-5, 6-8, 9-12, college age, and adult students.

The New England Farmers Union, the regional division of NFU, and NEFU’s affiliate member the Neighboring Food Co-op Association, worked with NFU staff to incorporate New England specific co-operatives and perspectives into the curriculum. We placed special emphasis on the manner in which co-ops are active across our economy and the business of encouraging co-operatives to work together across sectors and industries for the economic development in our region.

We want to acknowledge the generous support of the CHS Foundation in the initial development of this curriculum. Making this resource available to communities across our region was also a co-operative effort, and we want to thank Collective Copies for printing this curriculum, and our friends at Organic Valley, Cabot Creamery, Equal Exchange and the UMASS Five College Federal Credit Union for their support in making it available free to co-ops and other organizations across New England.

We welcome your feedback on this curriculum and encourage you to visit our websites for updates and additional resources on co-ops:

- [www.nfu.org/cooperation](http://www.nfu.org/cooperation)
- [www.newenglandfarmersunion.org/co-operatives/activities](http://www.newenglandfarmersunion.org/co-operatives/activities)
- [www.nfca.coop/go](http://www.nfca.coop/go)

Please accept our personal thanks for the time and energy you dedicate to educating your members about co-operative enterprise. By working together, across sectors and industries, we can make our region, and our nation more resilient, more inclusive, and more co-operative.

In Co-operation,

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National Farmers Union

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**“Co-operatives: The Business of Teamwork”**

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**Note:** The word “cooperative” is often used interchangeably as an adjective (meaning “agreeable” or “willing to work together”) and a noun (meaning a particular type of business). While these meanings are related in some ways, we believe it is important to distinguish between them and in this curriculum we use the hyphenated form of the word, “co-operative” or “co-op” to refer to the specific business model as defined by the International Co-operative Alliance (www.ica.coop).
Section 1: Grades 1-2

Contents:

Lesson 1: Playing & Working Together ~ 1 hour
Lesson 2: Building Team Towers ~ 1 hour
Lesson 3: Circle the Students ~ 1 hour
Lesson 4: Carpet Connections ~ 1 hour

Optional Activities

For more information contact:

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“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 1
Lesson 1: Playing & Working Together

Unit Objective: Students will be introduced to cooperative play and work activities.

Grades: 1-2

Length: 1 hour: 10 minutes for the introduction and discussion of cooperation, 10 minutes for the ball-in-the-blanket activity, 10 minutes for the snack and worksheet activity, 15 minutes for the fire-fighting activity, 15 minutes for the follow-up discussion and closing comments.

Materials Needed: A whiteboard or flipchart and appropriate markers, tables, color crayons, clean ice cream pails, a large cardboard box, large foam packing “peanuts,” enough appropriately sized blankets and beach balls or volleyballs, pre-cut sheets of the word “Cooperation.” Snacks for a break such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-op-products.

Preparation: You will need to make a “fire box” by using a large empty cardboard box from 24-36 inches high and 24-36 inches wide. Cut off all the top flaps and then cut ragged “flames” along the top edge all the way around the box. Do this by using a box cutter or scissors to cut down from the top at steep angles. Think of this as making a jagged edge or alligator “teeth” along the top of the box. Use craft paint or markers to color these “flames” yellow and red. Locate and clean enough ice cream pails for each one of your students. Also, print enough copies of the “Cooperation” worksheet so you have enough for sections for each student.

Background:
Children this age are familiar with playing together, either one-on-one using a board game or in small-group activities such as tag. This session begins with an activity that encouraged playing together. The second activity transitions into tasks that only the students can accomplish as a group to show how cooperation works. The lesson uses the terms teamwork and cooperation interchangeably. Students this age will be more familiar with the meaning of the word teamwork.

Teaching Strategy:
1. Ask your students to tell you what games they play by themselves. On a whiteboard or flipchart, write “By Myself” at the top left. In the column below, write their answers. What games do you play that only work if you have other players? At the upper left of your whiteboard or flipchart, write the heading “With Others.” Underneath, list the responses you hear. Compare the examples. Why do some games work better if you have two or more players? Let your students share their examples. Make sure you allow all children to have an opportunity to respond during this discussion time.

2. Some games are competitive, meaning one person or one team will win. Other games and many activities are cooperative, meaning everyone wins. Each type of game has its place in our lives. When two or more of you...
play together, it is called teamwork. Teamwork and cooperation are the same. A sports team works together to win. What would happen if you tried to play baseball by yourself? It would be impossible. It would be difficult with just two or three people. Baseball is a team sport. Some people are better at batting. Some are better at catching, or running, or pitching. Teamwork encourages everyone to add his or her best abilities to the overall effort. This is a type of cooperation that we use when we play. Cooperation means every member of the team contributes and the group succeeds together.

3. Who wants to play a cooperative game? Wait for hands to go up, showing interest and a willingness to try something new. Great. Here is how we will play a game called Ball in a Blanket. Hold up a blanket. Organize your students in groups of four. Each one of you will hold one corner of a blanket. Create additional groups as necessary, depending on the number of students you have. If you have an odd number, either you or a youth volunteer or someone from another age group may join in as necessary. Each group will use the blanket to toss the ball in the air and then catch it when it comes down. How many times can we do this without dropping the ball? Tell the students you will give them five minutes for this activity.

4. Now we will switch teams. Teamwork can mean working with other people at different times on new projects. Baseball is played during the summer. By the time the next summer rolls around, the baseball team may have several new players to replace those who went to another team, another sport, or another town. As we get older, we will join lots of teams and work with all kinds of people. I would like two people at each blanket to change places with two people at another blanket. Continue the game for five more minutes. Did you find it just as easy to do this with new people? You may find you like having your friends on your team, yet in this type of game you can do it just as well with someone new.

5. The blanket in a ball game is not about beating another team. This game is about seeing how well you can do as a team. The more you work together, the better you are able to keep catching the ball in the blanket. It is time for a snack break. Serve snacks that include vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts. Pass out wipes or have the children go to the nearest sink to clean their hands. Give them a few minutes to finish their snacks, clean up their areas and dispose of their napkins and other items. Again, if necessary, have them clean their hands for the next activity.

6. I will pass out paper sheets that have letters on them. Please color in the letters. Give them time to complete this assignment. Cooperation is a big word. It means teamwork, as in working together as a team. Each of you will have a few letters that make up the word “Cooperative”. What can we do to put all the letters together to spell the word? Wait for their answers. If they are unsure, suggest they each hold the letters in front of themselves and stand side by side to spell the word. Help them with the sequence. If you have too few students to do this, have the children hold two sets of letters, one in each hand. If you have a lot of students, you can set up two or more lines as necessary to have each group spell out Cooperation. It takes all of us cooperating to accomplish some activities.

7. Sometimes we work together to play a game. Other times we work together to get a job done. Here is an example of why we need to work cooperatively (walk over toward the “fire box”). Imagine this box over here is a fire. You have one pail to use and a source of water at the other end of the room. Walk over to the water tub and hold up a few foam peanuts so the students can see them. Pretend these bits of foam are water. How would (ask just one student) put out the fire? Let that student show everyone how he or she would use a pail to gather water at one end of the room, run with it to the
box and dump it into the “fire.” How long will it take for you to put out the fire by yourself? Would it go faster if you had help? What if you all try at the same time? Let’s do that. Everyone grab a bucket and go. Expect chaos at this point. Each child will try to be the fastest one to fill a bucket, run across the room and dump his or her pail into the fire. The students will lose time as they bump into or try to avoid each other. After the students have used up all the “water” have them stop and pick up the spilled foam peanuts and put them in the firebox. Take the firebox over to the water tub and dump in the peanuts. Then place the box back in its original location.

8. Gather everyone in a circle. We had everyone help and that’s good. All of you are dedicated firefighters. Is there a way we could have worked better together to get water to the fire? Let the students think about this for a moment. More than 250 years ago, Ben Franklin helped start the Union Fire Company in Philadelphia. It was one of the first co-ops in America. The members of this co-op were people who owned buildings. Back then there were no fire trucks or firefighters. People used fireplaces for heat and lamps for light. There were no sprinklers or alarms. A fire could burn down a building in minutes, and then spread to the buildings beside it. One person alone could not put out a fire. As a co-op, the Union Fire Company members had a common interest in putting out fires to protect everyone’s buildings from burning down. They wrote rules that they followed to make sure everyone was working together and not disorganized. Were you disorganized when you all tried to put out the fire? Point out to the students that they were bumping into each other or going out of their way not to during the last activity. Since they did not have fire trucks or hoses, early firefighters used wooden buckets larger than your pails to carry water. To avoid bumping into each other, they formed a bucket brigade. This means people focused on one task instead of trying to do it all by themselves. One person just filled buckets, one person poured water on the fire, and everyone else created a line in between these two and passed buckets down the line. Let’s try forming a bucket brigade. To avoid competition for the prized spots at either end of the line, assign one student to fill buckets and another to dump the pails into the fire. Let them use all the “water” and observe how much quicker the process goes. (OPTIONAL: If you hold your class on a warm day and a suitable area outside, this activity could be done using real water in place of packing peanuts. Be sure to have towels available for students to dry themselves following this activity.)

9. Once again, gather everyone into a circle. Ask them why a bucket brigade worked better than an “everyone for themselves” approach. List the answers on a whiteboard or flipchart. The answers will vary yet they should include these responses: Everyone helped rather than expecting one person do all the work; people did not get into the way of each other; by doing one task only each person was able to contribute more to the overall effort while using less time.

10. Close the lesson by discussing how cooperation benefits everyone in a group. Use the following questions to prompt this discussion. What activities do you do alone that would be easier if you had help? Have people asked you to help them get things done? Is it easier to work on a project when everyone wants the same result? Is it more difficult when one person does not have the same goal or isn’t as dedicated to the final outcome?

11. NOTE: Any of these activities – spelling out “Cooperation”, ball-in-the-blanket, or bucket brigade may be repeated to show parents how their children learned about cooperation during this session. If time allows, repeat one or more of these activities for the benefit of parents.

Sources: National Farmers Union, Neighboring Food Co-op Association.

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 4
Lesson 2: Building Team Towers

Unit Objective: Students will engage in team-building activities.

Grades: 1-2

Length: 1 hour. 10 minutes for opening discussion on cooperative concepts, 15 minutes to make visors, 15 minutes for the marshmallow exercise, 5 minutes for a snack, 15 minutes for the rope activity and final discussion.

Materials Needed: Inexpensive all-the-same-color foam visors (sources for these include a local craft or hobby shop); a collection of three or more hats from local co-ops (these may be donated by the co-op and thus could be used as a door prize); washable markers, glue and accent or glitter-type sprinkles, enough six-foot sections of clothesline or rope, at least six shirts on clothes hangers, several bags of miniature marshmallows and boxes of toothpicks; ingredients for s’mores (marshmallows, graham crackers and chocolate from a co-op such as Equal Exchange), and drinks such as milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) or orange, grape or cranberry juice (from co-ops such as Organic Valley, Florida’s Natural Welch’s, and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange) with marshmallows. Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation: Count out marshmallows and toothpicks as explained below. Cut your rope or clothesline into six-foot sections.

Background: Inspiring students to belong to a team is easier when they share the same “uniform.” This could be a t-shirt or cap; however, to keep costs down this project will focus on decorating a foam visor.

NOTE: Feel free to substitute a t-shirt if your budget allows.

Teaching Strategy:

1. Raise your hands if you think cooperation means teamwork and getting along. Pause to count the hands that go up. Raise your hands if you think cooperation means others have to lose so you can win. Most students this age should have a sense that cooperation means working together.

2. What is the meaning of the word “teamwork”? Listen to any answers you may get. Teamwork actually has two words put together, “team,” and “work.” Write the word on a flipchart or white board. What kinds of teams can you think of? Write down their answers, which may include the obvious – baseball, football, or basketball – and some less obvious suggestions ranging from firefighters to teachers. If they are not sure what to suggest, help them along by naming a few of the examples listed above.

3. Teamwork is what happens when people work together as a team. It means doing something as a group that you could not do on your own. People who join a team want the same things. Teachers in school are on a team. They want you to learn more about the world, about math, about music, and about yourselves. Working together in a team is also called cooperation.

4. Can you give me examples of cooperation? Write down or talk about the examples they may share. Cooperation could include everyone working together to do yard work, housework, or making a meal. Discuss how the purpose of cooperation is to benefit everyone who joins in the effort.
5. Many people who belong to a team share things in common. Sometimes they even wear the same clothes to show they belong to a team. In sports, ball players wear the same uniform, including a hat (or t-shirt, if you choose that instead). We are going to make our own hats using these visors. Pass out one visor to each student. Show them the co-op hats and make a brief mention of each co-op and what it does for people in the community.

6. We will put the name of our co-op on these visors (or t-shirts). We need a name for our co-op. How about “Kids Co-op”? Write down the name on the whiteboard or flipchart. Have the students use washable markers and write “Kids Co-op” on their visors. Walk around to assist any students who may have difficulty writing the words (or making them fit in the area). Leave enough space on each visor for one more upcoming activity. It is up to you whether you use markers of all the same color or a mix to add color to the visors. You may want to use glue and colored sprinkles to accent the visors.

7. Have your students test their visors by putting them on. If you have a digital camera, pose the students and take a photo. Wow. We have a team. All of you look ready to cooperate together. As a Kids Co-op, we should do something to show how we use teamwork to test our ability to work together.

8. Using cooperation, you are going to work together as a team to build a tower. Instead of bricks or boards, you are going to build using marshmallows and toothpicks. There are no instructions. I will give you five minutes from beginning to end. At the end of five minutes, I will measure the tower that continues standing by itself for at least 15 seconds. Your goal is to build the tallest tower possible. As a group, you will have to work together to decide how to do this. Remember, you have to do this as a team.

9. Pass out approximately 100 miniature marshmallows and 75 toothpicks for every six students (one group). Use a timer or watch to keep track of the five-minute period from start to finish, and the 15-second “grace” period once you have called “time” to end the activity. Before you start, have each member of the team put their initials on the visors of their teammates. This will help build a sense of teamwork. Hold up your watch and when you are ready, shout out “Go.”

10. At the end of the exercise, say “Time,” then measure the tower(s) that stood up for 15 seconds (if any). Make a special comment about the team that was most successful.

11. Ask each participating group these questions: How did you decide what the tower should look like? Did you decide in advance how to build the tower or just make changes as you went? Did your group have a leader, or did you make decisions as a group? For each question, listen to the answers and look for opportunities to make positive comments about cooperation. Change the teams around and have your students repeat this activity. Provide them with new marshmallows and toothpicks. Did working with new teams work just as well? Were you able to share something you learned from your first team with those on your second team?

12. It is time for a snack. Guess what we are having today? S’mores! Send the children to the nearest sink to wash up. Serve the s’mores cold unless you have suitable equipment on hand to melt chocolate. Feel free to substitute peanut butter-and-marshmallow sandwiches, celery filled with peanut butter and topped with marshmallows, or hot chocolate. Be creative. For a list of co-ops that you could source chocolate, cocoa and other products from, visit http://nfca.coop/co-opproducts.

13. While the children are having their snack, place on the floor enough six-foot sections of rope. You will need one fewer sections of rope than you have students. For example, if you have six students you will need five sections of rope. After the students are done with their snacks, tell them you have a problem. You need to hang up laundry and your clothesline is in pieces. How will you hang your clothes? One or more students may suggest you tie the rope together. Respond by saying you cannot tie the rope because it will become too short for the
clothes you need to hang. Ask half of the students to hold one end of the rope, while the
remaining students hold the other end. Hang a shirt on this rope. Tell your students this
shirt represents ten more but you didn’t bring them all. All those shirts would need the entire
six-foot section of rope being held by the students. You have more shirts to hang up. This
means you need addition line from which to hang the shirts. What can your students do to
help you have access to more line? Give them time to consider this challenge. If they do not
recommend it, ask your students to each hold the end of a section of rope in one hand and
another in their other hand. They will become like fence posts supporting your line and
allowing it to be long enough to be useable. Hang an additional shirt on each section of rope
and tell them their cooperation has solved a problem.

14. This would be a good time to take another digital photo of your students participating in an
activity. Ask them to return to their seats. Begin a discussion with them using the following
questions. Be sure to encourage everyone to participate. How does this activity teach cooperation?
What was the challenge we had to solve? What would have happened if someone decided to quit and walk
away? We use cooperation every day. It may be planned, it may just happen on its own. By working together,
we did things today that we could not have done by ourselves. At this time you may want to hold a
drawing to give away the three co-op hats.

Source: Activities That Teach by Tom Jackson, KnowledgeStorehouse, Neighboring Food
Co-op Association.
Lesson 3: Circle the Students

Unit Objective: Students will learn to set goals and work together to overcome challenges

Grades: 1-2

Length: 1 hour. 10 minutes for the introduction and jump rope/tennis ball examples, 10 minutes for the “Circle the Students” activity, 10 minutes for the musical poster activity, 5 minutes for snack time, 10 minutes to create and share cooperation posters, 10 minutes to color in the poster image, 5 minutes for the wrap up discussion.

Materials Needed: A jump rope, a tennis ball, paper sheets with each one marked with one letter from the word “Cooperation,” a 35-foot length of rope, a poster board or tag board, enough letter-size single sheets of construction paper for each student, erasable markers, a portable music player (boom box if you are over 50, iPod if you are under) with appropriate music, copies of the sectional poster image. Snacks for a break such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida's Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation Needed: For this activity you will need room for children to play a game. The first part of the activity will be done indoors at tables while the actual activity could be done outdoors, weather permitting. Just follow the notes. Using a marker, spell out “Cooperation” on letter-size sheets of paper using just one letter per sheet. On a full-size sheet of poster board or tag board, write the word “Cooperation.”

Background:

Children may have widely different levels of experience in setting and attaining goals. Whether in a group or as an individual, not all of your students may have had opportunities to participate in goal-setting or problem-solving activities. These activities will require your students to discuss how to solve challenges by agreeing on solutions and working together to attain results.

Teaching Strategy:

1. Hold up a jump rope. Ask one of your students to show you how to, well, jump rope. Thank you, (NAME), for showing us how a jump rope works. Now, what if someone wants to jump in the middle. Is that possible for just two of you to do? Give your students time to consider this possibility. It takes three people, one to hold each end of the rope, with a third person jumping in the middle. Playing jump rope takes cooperation. Ask for three volunteers to show how this arrangement works. Thank each of them for the demonstration. Can two people be in the middle and two more on the end? Yes. Doing this takes a good amount of cooperation. The people holding the ends of the rope need to spin it at the same speed, the people in the middle need to jump at just the right time.

2. Select another student and toss him or her a tennis ball. Ask this student to toss the ball and catch it a few times. Is this fun? After a while it gets old. What makes tossing a football, basketball, or
baseball more fun? Having someone to catch it and throw it back. Ask for two more volunteers to join the student with the ball and ask them play catch for a few moments.

3. Some activities are more fun when we are part of a team. In school, teamwork may be the best way to study for a test, figure out homework, and complete a project. When two or more people share their ideas, they can become more creative in finding solutions.

4. Cooperation is a way of working together for everyone to accomplish a common goal. I want all of you to get together in a group in the middle of the room (or a designated space if you are doing this activity outside). Wait for them to do so. Make sure your students have plenty of room between themselves and those standing near to them. Put a rope in a circle around the outside perimeter of the group. Ask all the students to step outside of the circle. You will need about 35 feet of rope for every 30 students. Each time we do this, I will make the circle smaller. Adjust the rope so the circle is smaller (but not exceptionally smaller) and ask the students to step inside. The goal is to continue fitting within the circle no matter how small it gets. Keep repeating this process. Stress that they need to do this in a safe way. No pushing, jumping, or piggy-backing is allowed.

5. As it becomes more difficult to get everyone within the rope circle, make sure you use care to gradually make it smaller yet. Your students will discover easy solutions at first, but as the circle gets smaller the ability to crowd together will become less effective. They will have to fit among each other more efficiently. Encourage them to talk among each other to find the best “fit.” This will provide an opportunity to take a photo of the class engaging in a cooperative learning activity.

6. At some point, they simply will not be able to fit within the circle formed by the rope. Ask them to gather in a discussion circle. Reaching our goals can be difficult unless we have help from others. The early goals may be easy to achieve, yet as you go along the effort may become more difficult. You may need the help of others. You may need to be the one to help others, too. This is why cooperation is so important.

7. Time for a snack break. Have the children wash their hands at the nearest sink or with wipes. Pass out snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

8. While the children have their snacks, randomly place the sheets of paper that spell out “Cooperation” on the floor. Tell your students they are going to play musical chairs, but without the chairs. You will play music but when the music stops everyone will have to stand on the letter you call out. Start the music (something upbeat and appropriate for children) while the children walk around the letters. Stop the music, say “O” and let the children all try to stand on one of the three sheets marked with an O. Start the music again and let the children walk around the letters. Stop the music, call out the letter “C” and watch the competition among students trying to stand on this single sheet of paper. What happened? All of you competed to get on this letter. Is there room for all of you? If some of you are faster or bigger or closer to the letter is that fair to others? Listen to their responses and use them as the focus of additional discussion.

9. Place a poster-size sheet of paper or tag board on the floor on which you have written the entire word “Cooperation.” Ask the students to walk around this paper or tag board while you play music. When you stop the music, call out “Cooperation. Everyone should be able to stand on or get a foot on the paper or tag board. This is how cooperation works. It provides room
for everyone. No one has to be left standing on the side. No one has to push others out of the way to win. Cooperation is a type of teamwork.

10. Have the children return to their seats. Pass out sheets of construction paper to your students and ask them to write down a word or a picture that means cooperation to them. Be sure to help them in spell the word they want to use or give them ideas on how to draw their image. After they are finished, encourage the students to stand up one at a time and explain their word or drawing and why they chose it to represent cooperation.

11. Have your students return to their tables. Using the image below, cut along the lines and pass out one section to each of your students. Have them color in their part of the image. After they are done, ask them to cooperatively put the puzzle together on top of a blank tag board or poster board so that it makes an obvious image. Using tape or a glue stick, attach the pieces in the correct order to the tag board. Hold it up for all of your students to see. Cooperation and teamwork is the same thing. Each of you as an individual contributed your talent to this overall effort. Together, you created something you would not have accomplished on your own.

Sources: Activities That Teach by Tom Jackson; KnowledgeStorehouse; Neighboring Food Co-op Association.
Lesson 4: Carpet Connections

Unit Objective: Children will prepare and participate in their own cooperative game

Grades: 1-2

Length: 1 hour: 10 min. for introduction of lesson, 15 minutes for the carpet squares activities, 5 minutes for a snack, 10 minutes for the connect the dots activity, 15 minutes to build instruments, 5 minutes for the concert.

Materials Needed: White paper plates, erasable (nonpermanent) markers, carpet squares (about one square foot each: these may be purchased at, donated by, or borrowed from furniture stores, carpet stores, decorating stores, or larger discount stores), paper handouts, paper plates, paper towel tubes, yarn, small jingle-type bells, pencils, plastic spoons, wax paper rubber bands, several musical instruments. Snacks for a break such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation Needed: Use an open area for the activity using carpet squares. In advance, print the words and cut them out so you can distribute them to students at the appropriate time.

Background:
The earliest applied learning lessons taught to children tend to be linear in design. Learning to count, learning the alphabet, and learning the days of the week all are examples of linear patterns. To draw on this intuitive approach, activities in this lesson literally will ask students to connect the dots as they learn about cooperation.

Teaching Strategy:

1. Ask your students to raise their hand if they have watched a band or choir perform music, or listened to musicians sing a song. Expect most, if not all, of your students to affirm they have. With a few exceptions, music requires the cooperation of a lot of people. Choirs have people who specialize in singing the four major parts of a song. These singers are grouped in the bass, baritone, alto, and tenor sections. In a band, musicians may play trumpets, trombones, drums, flutes, guitars, tubas, and saxophones. Each one’s music complements that played by all the others. Together, musicians can create great songs for us to hear. Each player’s notes contribute to the overall effort. Drums can keep the beat while the trumpets may provide the melody. Each instrument by itself may sound incomplete; put them all together, however, and the sound can be amazing. Music uses signs to tell each player what notes to play, how soft or loud, and when to rest. If musicians played any way they wanted — say they all played loud and they all played the same note — would you want to hear it? Probably not.

2. Music is a type of cooperation. All the musicians want the same thing: they want to play music and they want their audience to appreciate listening to their music. This requires each of them to do their individual best and to use teamwork with other musicians sharing the stage. In fact, some orchestras are co-ops. If available, show them several different musical instruments. Note that each one is unique but none of them alone can make all the music needed for most songs.

3. **Musicians work together. Football players work together. Family work together. Today, we are going to work together too.** Pair off the students in teams at one end of the room. Make sure the teams are spread out. Give one team seven carpet squares, another three squares, and another five. Depending on the number of two-person teams you have, be sure to give some teams more squares, some fewer. Tell them they have to cross the room stepping only on carpet squares. Provide them no further directions. Watch what happens. Anticipate two outcomes: one, the teams will settle into a pattern of one student leading and placing carpet squares in sequence for the other to follow; two, the team with the most squares will go the farthest.

4. Ask them, *Why did some teams do better than others?* The answer will be that those teams had more carpet squares. Did this require cooperation? Not really. One person took the lead and the other followed with little else to do.

5. Recall the teams and collect the squares. Tell them they again have to reach the other side of the room stepping only on carpet squares. Give each team three squares and no further directions. Tell them they all have equal conditions, now, and there is a way for all of them to cross the room. By discovering it on their own or watching other teams, each team should figure out they have to pick up the square behind them and move it to the front. In effect, they will be using a form of leapfrogging to advance. Give each team time to reach the other end of the room.

6. *Sometimes, success does not depend on who has the most, but who cooperates the best.* Let your students consider this observation.

7. Gather them at one end of the room for a third time. This time instruct them that they cannot step on their own carpet squares. Give each team three squares. Also, make sure teams are side-by-side rather than spread out. Tell them to start. If they look puzzled, assure them there is a solution. Give them time to think. If they are unsure, ask one of them to put one of their own carpet squares in front of the team next to them. Ask that team to do the same. They will discover this effort requires the teams to work together, moving carpet squares back and forth between them in order for all teams to advance.

8. *Each team worked with the one next to it. This is called cooperation. Was it important for you to accurately place the square in front of the team next to you? Yes. In order for your team to be able to move forward it was just as important for their team to move forward. You had to work together. Either you succeeded or you failed due to how good you were at teamwork. Everyone had to contribute.* Give them time to consider your comments.

9. *In a way, you built a bridge using cooperation. It required teamwork. And, you had to recognize that the only way for you to make it across the room required you to help others make it at the same time.*

10. It is time for a snack. Send the children to the nearest sink to wash their hands, or hand out wipes. Serve snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). For a list of co-ops that you could source products from, visit [http://nfca.coop/co-opproducts](http://nfca.coop/co-opproducts). Allow them time to finish their snacks and then clean up for the next activity.

11. Pass out paper plates and nonpermanent markers to your students. Give each of them a slip of paper with the following words printed on them: “Cooperation” “is when,” “we work,” “as a team.” You may need to use additional groups should you have additional students, or have students make and hold two paper plates should you have too few students. Ask your
students to copy the word they have onto their paper plate. Assist those who may want help writing the words.

12. When they are ready, ask your students if they can stand in order so that their words make a sentence. Tell them this is like the game “connect the dots.” Provide them with no other instructions to see if they can figure this activity out on their own. If they are uncertain, write the sentence on a white board or flipchart and ask them to hold their paper plates to create the sentence. This provides another opportunity to explain how each student brings something important to the group, yet it takes the entire group working together to give meaning to everyone’s own efforts.

13. The final cooperative effort will be to build musical instruments and play in a band. The four musical instruments – tambourine, drum, horn and hand bells – are simple to make and will go together quickly. To avoid everyone wanting the same instrument, assign an instrument to each student to assure variety. Help your students make the following musical instruments. The drum may be made from an empty oatmeal box or hatbox. If time allows, wrap the box with construction paper and let the student decorate it with a crayon or marker. Make the drumsticks by wrapping or tying plastic spoons to the ends of pencils. Make the horn by covering one end of a paper towel roll with waxed paper and securing it with a rubber band. Punch a row of holes along one side of the roll using the tip of a pen. You will need to do this for the student. To play this horn, the student simply sings a tune in the open end. To make cymbals, place bells inside of two paper plates and staple them together, rim-to-rim. If time allows, encourage the student to attach ribbon to the cymbals or color the outside. To play the cymbals, simply shake like a tambourine. To make handbells, punch two small holes opposite of each other near all the ends of two paper towel tubes. Run yarn through these holes and tie small jingle bells at the end of the yarn. Shake to play.

14. Close your class by playing upbeat music and inviting the students to play their instruments. Applaud their performance. Remind them that some things can only be accomplished by using cooperation.

Sources: KnowledgeStorehouse, KinderArt, Neighboring Food Co-op Association.
Cooperation is when we work as a team!
Optional Activities

The following activities could be incorporated at the end of any lesson to fill extra time.

1. Play a cooperative-type building game such as Mousetrap or Dominos.

2. Prepare a “thank you” card for the Farmers Union, food co-op or organization that sponsored the day class or camp. Have your students sign it and send it to the organization.

3. Write words on paper plates and play connect the dots. Recommendations include:
   - “In a” “Co-op” “Every” “Person” “Counts”
   - “Farmers” “Union” “Rocks”
   - “Everyone” “Wins With” “Teamwork”
   - “Cooperation” “Means” “Working” “Together”

4. Teach some Farmers Union songs (for more information, contact the National Farmers Union). Provide an opportunity for the kids to sing the new songs they have learned to another group.
Section 2: Grades 3-5

Contents:

Lesson 1: The Popcorn Co-op ~ 1 hour
Lesson 2: Coming to Terms with Co-ops ~ 1 hour
Lesson 3: Cooperative Cups and Claps ~ 1 hour
Lesson 4: Putting the Pieces Together ~ 1 hour

Optional Activities
Lesson 1: A Co-op of Our Own

Unit Objective: Students will organize their own Popcorn Co-op.

Grades: 3-5

Length: 1 hour: 10 minutes for the introduction and discussion teamwork, 10 minutes to outline the need for a Popcorn Co-op, 10 minutes to pop popcorn, decorate bag, fill the bags and add butter, salt, and seasoning, 15 minutes to review the types of co-ops, 10 minutes for the worksheet and 5 minutes for your concluding comments.

Materials Needed: White board or flip chart, tables with adequate work area for each student, a popcorn popper, soft butter (preferably from a co-op such as Organic Valley or Cabot Creamery Co-op), salt, a bag of popcorn kernels, flavored seasonings as appropriate (from a co-op such as Frontier Natural Products Co-op), paper napkins, water or juice (from co-ops such as Florida’s Natural, Ocean Spray, Organic Valley, or Welch’s), small drinking cups, washable markers, small paper bags, enough play money so you can provide each student with one $20 bill and one $5 bill. Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation: Arrange three standard 6-foot conference tables in a “U” shape (if you have only round tables available set them up in a triangle formation). Place a popcorn popper on the center table from which you will teach the class. Make sure this table is close to an electrical outlet. Tape the electrical cord to the floor to prevent children from tripping on it. At the table to one side of the center table, place a bag of popcorn kernels in front of one student’s chair. Place a small container of soft butter in front of the next chair, and place a saltshaker in front of the third chair at this table. On the opposite table place a stack of small paper bags in front of one chair, washable markers at the next student’s chair, and cooking oil at the next student’s chair. NOTE: Adjust these items as necessary to accommodate the number of students you have in class. For more students, have them share one or more of the items above or set up additional tables and break them into two or more learning groups; for fewer students, provide each student with two items. Another possibility is to add flavored seasoning shakers such as cheese, caramel, and barbecue. Print out or copy the sheet of $20 bills and $5 bills and cut them apart so that you can provide each student with one $20 and one $5 bill of play money.

Background:
Children this age have a working knowledge of the business world. Their parents may be employed by a variety of businesses, and they have been on shopping trips to different retail stores. They may not know what a co-operative business is, specifically, so your students will form one to understand the basics of how such a business works. In doing this, they will organize and capitalize a co-op and learn how to work together to run it. They also will learn how co-ops can be used to purchase products or services, to sell products or services, and to secure employment.

Teaching Strategy:
1. Begin by asking your students to share with you what activities they do alone, and what activities require a team. On the whiteboard or flipchart, write down side-by-side headings of “alone” and “team.” Below each heading, write in the answers they provide. Examples for

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 20
“alone” might range from home chores such as setting the table and feeding or walking pets to reading or playing electronic games. Examples of team activities may include playing basketball or video games, and doing yard work, making dinner, or house cleaning. Offer your own observations if they are not providing good examples.

2. Ask them why some activities require a team. Listen to their responses. The main reason we need to work or play in teams is because we cannot do some things by ourselves, or we can do them better with other people. Our families, our communities, and our country depend on individuals who are willing to work together to make life better for all. When people need a job done, they may form a co-op business to meet that need. How is a co-op different from other types of businesses? Pause to see if anyone has an answer. The people who form a co-op do so because they have need for a business and they want to own and control it themselves. These people become members of their co-op and use it to provide them with a product, a service or a job — or some combination of these things. Put another way, the people who use the co-op are also its owners. They are usually known as members or patrons.

3. Ask the student who has the popcorn kernels if he or she can make popcorn to eat with just the bag in front of him or her. The answer will be no. Popcorn does not make itself. We need several items to make popcorn so that we can eat it. What else do we need? Let your students offer comments, based on what they see in front of them. To make popcorn, we need popcorn kernels, cooking oil, salt, butter, bags to put it in, and a popcorn popper. Each one of you has one of these items. Can you make popcorn by yourself? No. What ingredients do you need to make popcorn? The kernels, of course. And we usually add butter and salt. We also need cooking oil and sacks in which to put the popcorn. Each of you has one of these items, yet you cannot make popcorn with just your item. Pause and let them consider this situation.

4. What could we do? Expect the children to figure out they will have to share their items to accomplish this goal. Remember, people form a co-op to accomplish something they cannot do on their own or can do better together. Now you are all “co-opreneurs” who are working together to create a business for your common good. Every student has an item to contribute to the Popcorn Co-op. What are they missing that you have? The popcorn popper. Explain that popcorn poppers cost money to buy. Each of the students might be able to afford to buy butter, popcorn kernels, or salt. But alone they may not have the money to buy a popcorn popper. When people form co-ops, they contribute money to purchase a membership share and become members. This money is used to things like buying equipment and hiring employees. This is called capitalization. Capital is the money co-op members contribute when they organize the co-op. Tell the students they need to use their $20 bills to get the co-op started. This money will “buy” the popcorn popper and you will be their employee and manager.

5. Ask all of the students to bring their respective items to the main table, along with their $20 bills to capitalize the co-op. Tell them you will make the popcorn. While you do this, they will need to decorate the paper bags with the Popcorn Co-op name. Using the cooking oil and popcorn kernels and popcorn popper, make popcorn.

6. Once the popcorn has popped, ask the students to bring their paper sacks to your table. Pour the popcorn into one sack for each student, and make sure you have enough popcorn to have additional sacks for “inventory.”

7. Line up the bags of popcorn and add small amounts of melted butter and salt (however, if students want only butter or salt, or neither, make sure they have popcorn seasoned to their tastes). Pass out the popcorn and give your students a few moments to snack. Also, hand out small cups of juice or water at this time, along with paper napkins.

8. Each of you started with one item that could help make popcorn. The only way for each one of you to actually have popcorn was to share your items equally. You did this through cooperation or teamwork, and a co-op is one way to create a business.

9. A co-op can be organized to serve any purpose: to purchase things or services that we need, to help us sell products and services together, or to employ ourselves and provide jobs to people in the community. Some co-
Co-operatives may do all of these activities, although many specialize in one area. Generally, co-ops enable people to accomplish a shared goal. Food Co-ops, for example, enable people to purchase food and other products together, but they also support farmers, provide employment and strengthen the local economy. Farmer Co-ops enable farmers to produce and market products together, or purchase things for their farms such as seed, feed and supplies. Worker Co-ops enable people to provide themselves with jobs and provide products and services for the community, while Artists may use a co-op to help them sell their artwork. You may want to consult the appendix for a list of other co-ops that may be familiar to people in the class, such as credit unions, energy co-ops.

10. Time for discussion. What kind of co-op did we create? Did we sell anything? Allow them to answer. The answer is no. Did we buy anything? The answer will be yes, a popcorn popper. However, did we buy this so we could split it up and each use a part of the popper? No. No, that would mean that the popper wouldn’t work and wouldn’t do anyone any good. We created a co-op to provide the popcorn popper we all needed in order to eat popcorn together. Separately, we each contributed both money and materials to the co-op. Most importantly, we worked together to make everything work.

11. Now, what else could we do together? We could buy bigger bags of popcorn kernels together so we could get them less expensively, or maybe we would even want to produce the popcorn kernels ourselves, by growing them in our garden. Or maybe we have extra bags of popped popcorn left over that we could sell to other people. As you are learning, co-ops can help their members accomplish many things together. We can purchase a product or service, sell or market a product or service, and even employ ourselves, together.

12. If our co-op has money left over at the end of the year, called a surplus (or profit), those dollars would be returned to you as members. This is known as a patronage refund. Pass out a $5 bill to each student.

13. Now, what happens if you no longer need your co-op? For example, when a farmer is ready to retire, they may no longer need the services of their co-op to sell their products or purchase seeds. This means they no longer need to be a member of their co-op. Here is how it can work for our co-op. Say you don’t like popcorn any more. Your original $20 investment to help buy the popcorn popper will be returned to you. Hand out one $20 bill to each student. This is usually called a member stock retirement.

14. Pass out the worksheets and ask your students to fill in the answers as you go along. The answers, in order, are:

   a) “Co-op” or “Co-operative”,
   b) “Capitalization”,
   c) (1) “Purchase”, “Provide” or “Buy”, (2) “Produce”, “Market” or “Sell”, (3) “Provide Employment” or “Jobs”,
   d) “Patronage Refund”,
   e) “Stock Retirement”,
   f) “Together”, “As a Group”, “As a Community”.

Given the age of your students and size of the words, you will want to help them fill out their worksheet.

15. Close by reviewing why your students formed a co-op business: So what did we just do? We each had something to contribute, but we needed something in order to use it. Only by using teamwork could we turn our popcorn kernels, butter and salt into bags of popped popcorn that we could enjoy together. Teamwork or cooperation often is the best answer to solve challenges. However, teamwork also means that everyone has to work together and that each person on the team is as important as any other team members. We formed a co-op so that we could accomplish something together.

16. If you have extra popcorn and bags, please invite your students to give a bag of popcorn to their parents or other adults who will pick them up after the class.

Sources: KnowledgeStorehouse, Neighboring Food Co-op Association.

"Co-operatives: The Business of Teamwork" ~ National Farmers Union Curriculum ~ p. 22
The Co-op Quiz

1) A business owned by its members is called a ________________________________.

2) When members put money into forming a co-op it is known as ________________.

3) A co-op may be used to enable its members to:
   a) ______________________________ a product or service for themselves;
   b) ______________________________ a product or service to others; or
   c) ______________________________ for themselves and others.

4) When a co-op returns the surplus or profit to its members at the end of the year it is called a ________________.

5) When a member leaves their co-op, their investment in the co-op is returned to them as a ________________.

6) A co-op is a great way to accomplish something ________________________________.
The Co-op Quiz (Answer Key)

1) A business owned by its members is called a **CO-OPERATIVE** or **CO-OP**.

2) When members put money into forming a co-op it is known as **CAPITALIZATION**.

3) A co-op may be used to enable its members to:
   a) **PURCHASE OR PROVIDE** a product or service for themselves;
   b) **MARKET OR SELL** a product or service to others; or
   c) **EMPLOY OR PROVIDE A JOB** for themselves and others.

4) When a co-op returns the surplus or profit to its members at the end of the year it is called a **PATRONAGE REFUND**.

5) When a member leaves their co-op, their investment in the co-op is returned to them as a **MEMBER STOCK RETIREMENT**.

6) A co-op is a great way to accomplish something **TOGETHER** or **THAT YOU CAN’T DO BY YOURSELF**.
Lesson 2: Coming to Terms with Co-ops

Unit Objective: Students will learn key terms of co-op businesses.

Grades: 3-5

Length: 1 hour: 40 minutes for the discussion, 5 minutes for the snack, 10 minutes for the word search, 5 minutes for closing comments.

Materials Needed: Pencils, whiteboard or flipchart and markers, enough copies of the “Co-op Word Search” worksheet, snack items for a break such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Florida’s Natural, Ocean Spray, Organic Valley, and Welch’s). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation: Make sure you have enough copies of the Co-op Word Search available for each student. NOTE: You may want to convert the word search to a larger wall poster and let your students take turns or work as a group to circle the terms.

Background: The concept of a member-owned co-op, or business ownership in general, may not be easy for some students to grasp. This session will explore the different types of co-ops, especially ones with name brand recognition in our region such as Organic Valley, Cabot, and Equal Exchange. NOTE: This activity will be more effective if you tailor it to include the names of local co-ops such as food co-ops, farmer co-ops, credit unions, and worker co-ops. This session is more of a standard classroom presentation: it does not use activities or demonstrations to illustrate learning points.

Teaching Strategy:

1. Assemble all your students into one group. Ask each of them to name a business or company. Write down their answers on a white board or flip chart. Now ask them to name a co-operative business. Listen to their responses. Write down any correct answers they may mention.

2. Ask them what makes a co-op a special type of business. Do not expect any of them to have the answer. This will open up the opportunity for discussion. A co-op is a business owned by its members, sometimes called “patrons”. Why would people want to own their own business? Again, listen to the answers your students may provide.

3. A co-op is formed by a group of people who have the similar needs or goals. They may live where there is no existing business meeting those needs, or they may realize that they can accomplish something together more effectively than they can on their own. Co-ops are a special kind of business that use the same type of teamwork you see in your own lives. When do you see teamwork being used at home, at school, or somewhere else? Write down their answers on the whiteboard or flipchart. Erase or remove the sheet of previous answers, if necessary. Examples of teamwork at home might include everyone in the family having certain chores to keep the whole house clean, sharing yard or garden work, and cooking dinner, setting the table, and washing dishes afterward. Use these examples to prompt student responses. At school, teamwork might show up in games and sports, craft projects, or accomplishing homework or studying for tests. Other examples of teamwork in life might be building a float for a parade, sandbagging before a flood, or collecting items for the local food pantry.
4. The first co-ops were created by people who lived in the same community and had similar challenges or goals in their lives. In a business setting, a co-op is formed by people who understand that they need teamwork to accomplish their goals. By working together, the co-op’s members will all benefit. Why would people form a co-op? In basic terms, a co-op can be used to purchase or provide things we need together, to make things that other people need, and to provide livelihoods and jobs. While most co-ops focus on one of these activities, many do all of these things at once. Pause to let your students absorb your comments.

5. So how can a co-op help people buy things together? Are any of your parents members of a food co-op? The first successful food co-op, the Rochdale Society of Equitable Pioneers, which was founded by a group of workers, artisans and activists in England who wanted to purchase healthy, affordable food and make it available to their members. This co-op was formed because its members believed the store owners at that time were treating them poorly. Co-ops sometimes are formed because the existing businesses meeting those needs are treating their customers unfairly, such as charging very high prices and not offering good service. It was difficult to find healthy, affordable food. But through teamwork, the Pioneers were able to provide these products for themselves. The benefits worked for all members and the wider community.

6. A co-op can also enable members to produce, process or market things together. Good examples in our community include dairy co-ops such as Cabot Creamery Co-op or Organic Valley. Farmers pool their milk into large volumes which the co-op will then process and sell together. Other examples include Ocean Spray and Florida’s Natural, which produce fruit juices, and co-ops such as Deep Root Organic Co-op which market fresh vegetables.

7. Co-ops can also be organized to provide their members with jobs. A good example from our region is Equal Exchange, a worker co-op that markets fairly traded coffee, tea, chocolate and cocoa. The Valley Alliance of Worker Co-ops is a group of worker co-ops in our region that work together to support their members.

8. The primary purpose of a co-op is to provide a product, service or employment to its members, as opposed to collecting money or profit. When a co-op has money left over at the end of the year, called a surplus, that money is reinvested in the business or returned to members, which is called a patronage refund.

9. Co-ops also follow seven business principles or rules that make them special. One of these principles is “Concern for Community,” meaning even though the co-op provides benefits to members, it also wants to make a positive contribution to the entire community. Give an example of how a local co-op contributes to the community.

10. Co-operators also follow a set of co-operative values that guide them, many of which may be familiar to you. For example, honesty is something we value in our daily lives and co-ops work to be honest in their business activities.

11. The Farmers Union, which developed this class, has focused on co-ops as a way for farmers and other people to help themselves and strengthen rural communities. In fact, “Cooperation” is included on the Farmers Union emblem.

12. Gather the students around a table with the snack ingredients. Wow, we learned a lot. Our snacks were made by co-ops and their members. The milk and cheese come from (NAME) co-op, the juice is made by (NAME) co-op, etc.

13. While the students are having their snack, pass out the Co-op Word Search and allow them time to fill it out. We mentioned all of these terms during this class. See how many you can find going up, down, diagonally, and sometimes backwards.

14. Close by making sure your students have the answers to the word search. Ask your students as a group to show you where they found each word.

Sources: United States Department of Agriculture, National Cooperative Business

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 27
Co-op Word Search

Note: Some words in this word search may be diagonal, backwards or even upside down!

CABOT
MEMBEROWNED
FARMERSUNION
MARKETING
PATRONS

CREDITUNION
HONESTY
ORGANICVALLEY
COMMUNITY
PRINCIPLES

FOOD
ROCHDALE
SERVICE
CHEESE
JOBS
Lesson 3: Co-operative Cups and Claps

Unit Objective: Students will experience teamwork through interactional activities.

Grades: 3-5

Length: 1 hour: 15 minutes for introduction and discussion of competition compared to cooperation, 15 minutes for the cup stacking activity, 10 minutes for the clapping activity, 10 minutes for the snack and worksheet, 10 minutes for closing discussion.

Materials Needed: White board or flipchart, stackable plastic drinking cups, a textbook, a basketball, the “Ways To Cooperate” worksheet. Snack items for a break such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Florida’s Natural, Ocean Spray, Organic Valley, and Welch’s). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation Needed: Obtain enough stackable plastic drinking cups for the number of students you expect, have enough snack items available, print out enough worksheets for each student.

Background:

Depending on many circumstances, your students have been exposed to both competition and cooperation. This lesson focuses on developing cooperation and why it differs from competition. The discussion topics will encourage students to consider the value of contributing toward common goals in a group setting.

Teaching Strategy:

1. There is a difference between competition and cooperation. In competition, the goal is to win, which means someone else has to lose. In cooperation, the goal is for everyone to win. Hold up a textbook. Consider this: school is about cooperation. Teachers, principals, parents, and you as students want everyone to do well. All of these people want good grades and the opportunity to move ahead to the next grade. If education were just about competition, it would mean some students would have to lose. In school, we want everyone to win. Of course, this means you, too, have to do your best. You are responsible for your own actions when it comes to study.

2. Now hold up a basketball. Does a basketball team represent a form of competition or cooperation? Listen to their answers. Some will say competition. Basketball as a game is a form of competition. One team wins, the other loses. However, each team is using cooperation. The team players pass the ball to each other, the coach helps each player and the entire team works well together, the fans support the team by cheering. A basketball team is a cooperative effort. Teamwork and cooperation often mean the same thing. People work together to achieve common goals. As a team, they can do things that they could never accomplish just by themselves. Yet, it is important to recognize basketball as a game is very competitive and some players, coaches, and fans want to win no matter what it takes.

3. Show your students a product from a co-op. Examples may include milk from Organic Valley, cheese from Cabot, and juice from Ocean Spray. Some businesses are like the basketball team. They are called co-operatives. Why? Because they use teamwork that benefits everyone. The co-op managers, employees, board, and members all benefit by cooperating with instead of competing with each other.
These co-ops may compete with other businesses as they work for their members.

4. Break the group into teams of three. Provide each team with 14 plastic drinking cups. Tell them they have to stack the cups at least three high, but it is up to them to figure out how. Give them a few minutes to discuss it in their teams and agree to a common solution. Then let them build their stacks. Watch to see how well the students work in their teams. Some teams may choose to build a triangle shape, others a pyramid, and others may stack their cups in the shape of a wall. As you gave them no specific directions, they will have no sense of whether one way is better than another. The truth is, there is no one best way. This is an exercise in reaching and then employing team consensus.

5. Look at their examples and acknowledge the accomplishments of each team that met its goal of stacking the cups three high.

6. Ask (or assign) students to shift to another team. All you want to do is mix the groups so the students get a sense of working with new people. Ask these teams to again stack the cups so they are three high; however, also request that they make sure to use nine cups on the bottom. Encourage them to discuss this task before they start. Let them work as teams to figure out how to accomplish this. Once they are done, walk through the classroom and look at their solutions.

7. For the final exercise with cups, ask them to stack all 14 cups so they are at least three high, again using nine cups on the bottom. Make sure that the bottom has just three cups on each side, forming a square shape as seen from above. Each team should come up with the same structure, which will look like a pyramid. There will be nine cups at the base (in a square shape using rows of three), four cups in a square pattern in the middle row, and the final cup by itself at the very top.

8. The purpose of this activity is to show how you may come up with different ideas to achieve the same goals by working in cooperation with each other. In a cooperative, you as a member have a right to share your ideas. Every member has one vote in a cooperative. Each member is treated the same. No one person has more control than anyone else.

9. Ask your students to sit in a circle or a line and count off. Help them set up a 1-2-3-4 rhythm by having the first student slap his or her knees and say “one,” the second student will snap his or her fingers and say “two,” the third will clap his or her hands and say “three,” and the fourth will slap his or her chest and say “four.” If you have more than four students, begin a new group. Have each student do his or her own action (knee slapping, snapping, clapping and chest slapping) in unison. Once the rhythm is established, the first player calls his or her own number on the first count and someone else’s number on the second count. On the next sequence of actions, the person whose number was called must say his or her own number and someone else’s. Players who miss their turn, say the numbers too early, or say a nonexistent number must move to the end of the line. Everyone’s number will change as the players move up and down the line, but their actions remain the same. Watch to see how well they do this activity and whether they improve as they get practice.

10. Have your students return to their seats. Ask them to tell you why cooperation can be better than competition. Using the white board or flipchart, list their answers. Use these answers to create a discussion of cooperation with your students.

11. Provide your students with a snack that includes milk, cheese, fruit or juice made by a co-op. See “Materials Needed” at the beginning of this activity for examples.

12. Pass out the “Ways To Cooperate” worksheet and ask your students to fill out the answers as they have their snack.

13. Ask each student to give you one example they wrote down. Write each response on the
flipchart or whiteboard. Use these examples to reinforce the concept and value of cooperation.

Sources: KnowledgeStorehouse, eHow.com, Neighboring Food Co-op Association.
Ways to Cooperate

At Home

With Friends

At School
Lesson 4: Putting The Pieces Together

Unit Objective: Students will engage in organizing a cooperative effort.

Grades: 3-5

Length: 1 hour: 10 minutes for the introduction and discussion of leaders and teams, 10 minutes for discussion of resources and why cooperation works, 20 minutes for the project-building activity, 10 minutes for the snack and worksheet, 10 minutes for discussion and closing comments.

Materials Needed: Whiteboard or flipchart and markers, Tinkertoys, LEGO's or Lincoln Logs, or a picture puzzle or another game or toy that requires multiple different pieces that go together to form a singular item. This could range from a racing car track or toy train set to a farm or ranch set. You will need to adapt this lesson and its language to the example you choose to use. Snack items for a break such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Florida’s Natural, Ocean Spray, Organic Valley, and Welch’s). If it's chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation: In advance of this lesson, use plastic Ziploc bags and/or rubber bands to group identical pieces. If you use Tinkertoys, put all long rods together, all the medium rods together, all the short rods together, and all the circular “joints” together. If you are using LEGO's put all the eight-nib rectangular blocks together, all the six-nib rectangular blocks together, all the four-nib square blocks together, and all the two-nib short blocks together (package all the windows, doors, roof pieces, thin/long pieces the same way). This applies to whatever example you choose to use in your class. For example, if using a racing track set-up, put all the straight pieces in one bundle, curves in another, cars in another, guard rails in another, and the controller by itself.

Background: Adults form co-ops to meet a common need or goal. It may be the work of a group, or the effort of one individual who organizes others. The reasons to form co-ops are many, such as to obtain products or services, to reduce costs, to create or expand marketing opportunities, to provide good jobs, to improve bargaining power or to achieve a shared goal. Regardless of the specific business purpose of the co-op, the people who organized it recognized an unmet need or opportunity that no one person could solve. They used the business of teamwork to find a solution.

Teaching Strategy:

1. Open the lesson by asking your students who they admire and why. Write down their answers. This first activity will provide an opportunity to discuss the topics of individuals and teams. By drawing from their examples (president, parent, teacher, coach, friend, other) discuss how each of these individuals is successful because he or she has a team of people with whom they work to achieve success. A president has a cabinet and staff. A parent may have a spouse, children, siblings, and others on whom to rely. Teachers work with other teachers, principals, parents and students. Coaches have team players, assistant coaches, and others who help them prepare for games. Make sure they know that the individuals whom
many of us admire and respect in turn depend on teams of people who all contribute to an effort.

2. Explain to your students that in life circumstances may give them specific talents, abilities, and interests. This is why some people are musicians, others are farmers, and yet others are teachers. Pass out to each student a bag or bundle of similar pieces from the toy you chose to use in this class.

3. Each of you has been given an item that can be put to good use. Another name for this item is a resource. A resource can be something you make, a talent you have, or money you earn. So, a resource has a value. What is your resource good for? Let your students consider this question.

4. Resources by themselves have a lot of potential, but to have real value you need to put them to work. Select a couple of students and ask them what their bag or bundle of items can be used for. They should be able to say how that item is used, but that it can only work when used with all the various items held by other students. What is the solution? Listen to their answers. Expect one of your students to say the only way to make all these “resources” work is to share. This notion may come from the entire group as well. Lead or encourage this discussion. Whether we play basketball, build a house, or pass a test in school, so many things we do in life depend on cooperation.

5. In the business world, there are several approaches proven to be successful. The most common one is known as competition. Another one is co-operation. Competition in its purest form means winning and losing. Competition can be good when it pushes companies to make better products, provide better service or keep prices affordable. However, when one company dries all the competition out of business, it becomes a monopoly. Just like the game Monopoly, one company can control its market and can charge higher prices because customers have no choice. One or two companies can (and have) become big enough to eliminate competition. These companies want to make the most money possible for their owners. This may be good for a few people but can be harmful to others.

6. Co-ops are businesses that follow a different approach. They are in business to be successful. But unlike other businesses, the primary goal of a co-op is to provide a product, service or livelihood for its members. Any extra money left over, called surplus, is reinvested or returned to these members. Although we are not going to set up a business today, we will use the co-operative approach of teamwork.

7. Using the whiteboard or flipchart, write the heading “Need or Opportunity” at the top. Ask the students to tell you what their need or opportunity is based on what they have in front of them. The need will be to combine and use the items they have in bags and bundles, or the opportunity to build something bigger. How can they achieve this? For us to use all these items, we will have to share. We will form a co-op. Each one of you will be a member, and each one of you will agree to share the resources you have with others for a common benefit.

8. Have each student bring their item to a separate table at which you will combine all the items. A co-op encourages all its members to share their ideas because they have a common goal. What will work best: for everyone to jump in and put all these parts together, or to have a plan so we don’t get in each other’s way? The obvious answer will be to have a plan that outlines the order and each student’s role in assembling the items. Invite your students to share their comments on the best way to move forward using teamwork. If they are using LEGO’s, will they build a house? If they are using Tinkertoys, will they build a windmill? They all should be in agreement on the final plan. Older children are more likely to take control at this point, so be sure to create opportunities for all ages to participate. You will need to serve as the project manager or advisor during the discussion process. Although they are not aware of it, they will be actively involved in developing a strategy plan, just as a real co-op board might do.

9. Guide (and help, as necessary) the students assemble the items into the project they agreed to build. Encourage communication among the students as they coordinate their efforts. As
the project takes shape, remind the students that this is possible because each of them shared a resource to make this possible. Each of you agreed to use teamwork to combine your resources for the common good, to achieve a shared goal. And look what you were able to build, together!

10. Once the project is complete, allow the students to appreciate their accomplishment. If the items you have chosen to use for this project actually operates let the students take turns running the equipment.

11. Have the students return to their seats. Serve them snacks and mention the items that were made and marketed by co-ops.

12. Pass out the “Discussion Questions” worksheet. Allow the students a few minutes to review the questions and write down their answers.

13. Close the session by asking the students to tell you how they answered the questions. Use their comments to reinforce why cooperation is a great way for people to solve common challenges.

Sources: KnowledgeStorehouse, Neighboring Food Co-op Association.
Why Cooperate?

In what new way could you and your family work together at home?

Does teamwork happen naturally when you are playing with friends?

What might make it difficult to cooperate with others?

How might you overcome these difficulties?

How do you help others who cannot do things by themselves?

How do others help you with things you cannot do alone?
Optional Activities

The following activities could be incorporated at the end of any lesson to fill extra time.

1. Ask your students in advance to bring an item to donate to the local food bank. As a group, make a donation to the local food bank. Use this example to show how each individual’s small action can add up to a big change when done as a group. Where possible, encourage them to donate products produced by co-ops at their local food co-op. For a list of co-ops products, visit http://nfca.coop/co-opproducts.

2. Bring a variety of co-op products to class, especially ones that have a connection to your area (For examples, see “Materials Needed” at the beginning of this activity, or visit www.nfca.coop/co-opproducts). Review the history of these co-ops and why they were first formed. Make a list of co-operatives in your region and what they do (For a searchable map, visit www.nfca.coop/co-opeconomy).

3. Invite a leader from your co-op, such as manager or board member, or a representative from another co-op in your region to talk to your class. Have him or her tell the students of the benefits of belonging to a co-op. Have someone from your co-op present on the history of the co-op, how it got started, how it developed over time, and its vision for the future.
Photo by Neighbouring Food Co-op Association
“Co-operatives: The Business of Teamwork”

Section 3: Grades 6-8

Contents:

Lesson 1: Co-ops Put People Ahead of Profits ~ 1 hour

Lesson 2: Putting Co-ops on the Map ~ 1 hour

Lesson 3: The Business of Co-operatives ~ 1 hour

Lesson 4: Ready, Set, Cooperate! ~ 1 hour

Optional Activities

For more information contact:

National Farmers Union
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Neighboring Food Co-op Association
info@nfca.coop
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New England Farmers Union
info@newenglandfarmersunion.org
413-625-3051
www.newenglandfarmersunion.org

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the development of
this curriculum
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Lesson 1: Co-ops Put People Before Profits

Unit Objective: Children will expand their awareness of the types of co-ops serving Americans and how they differ from corporations.

Grades: 6-8

Length: 1 hour: 10 minutes for opening discussion, 10 minutes for the Sunflower Seed stockholder activity, 10 minutes for discussion on the types of cooperatives, 15 minutes for the guest speaker, 15 minutes for snacks, the crossword puzzle, and closing discussion.

Materials Needed: Whiteboard or flipchart and markers, bags of sunflowers, a few small toy trucks, a large bag of potato chips, white tag board and marker or white board that you can use, pens or pencils for your students.

Snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation Needed: This session will require a classroom setting. In advance, print out enough Sunflower Global Corporation and Sunflower Hometown Co-op stock certificates for all of your students. Print out and cut enough play money for all of your students. Call at least one week in advance of the meeting to arrange for a manager or director of a co-op to be the guest speaker. Ask this person to talk about why his or her co-op is different than other businesses. Verify this person’s participation the day before the class.

Background:

Co-ops are flourishing in America’s biggest cities and smallest towns. Members of housing, daycare, and food co-ops are enjoying the benefits of working together for the common good. This is because cooperatives are a type of business that put people before profits. This lesson looks at what makes cooperatives different from corporations.

Teaching Strategy:

1. Co-ops are businesses that are owned by their members — the people who use the products or services of the business, or who work there. Does that seem unusual to you? Why would people want to own a business together? Listen to their answers. Their comments will help you frame the topics of this lesson. Write down their answers on a whiteboard or flip chart. In the United States, businesses are started for many reasons, but almost every business is formed because the owner or owners want to make money. But co-operatives are organized to help their members save money, to provide a product or service, or to support jobs. These are among the reasons that co-ops are unique businesses.

2. Ask your students, Who owns America’s businesses? Again, listen to and list their responses. An individual may own a business. Most farms are owned by individuals, which typically are the families who live and work on them. Small family-owned businesses such as restaurants or businesses that provide services such as accounting may be found in your hometown. As businesses get larger, two or more people may own
them. This is known as a partnership. Even larger businesses will have multiple owners. These are known as corporations. A corporation’s owners may include people who buy stock in the business yet will never actually be a customer or employee of the corporation. Familiar corporations include Ford Motor Company and Wal-Mart. Investors in these corporations receive a share of the profits based on how much stock they own. Investors expect companies to generate the highest possible profits and also to increase the value of the company. This means the value of the stock increases over time so that when the investor sells it he or she makes money. You do not have to buy a Ford automobile in order to be an investor in Ford.

3. So we’ve talked about three common types of ownership: individual, partnership, and corporation. Another type of ownership is when the members actually own the business. This is known as a co-operative. Co-ops are businesses that operate to benefit the members who also are customers, employees, or use a product or service provided by the business. These benefits range from providing services otherwise not available to reducing costs for the products being purchased by members to sustaining good jobs in the community.

4. Show your students a variety of products made by co-operatives. These items may include milk from co-ops such as Organic Valley or Our Family Farms, cheese from Cabot Creamery Co-op, Organic Valley or Mt. Sterling Creamery Co-op, or coffee, cocoa or chocolate from Equal Exchange. Your local food co-op may also have branded produce from Deep Root Organic Co-op. For a list of co-op products, visit www.nfca.coop/co-opproducts. You could also show them a coffee mug, hat or other promotional item from a local energy co-op, credit union or insurance co-op. For a searchable map of co-ops in our region, visit http://nfca.coop/co-opeconomy.

5. In order to be successful, a business needs to make money. And the primary goal of a corporation is to make the most money possible for investors. They do this by charging the highest prices possible and at the lowest cost of doing business so they have as much money or profit left over at the end of the year. Paying farmers and employees less money, moving factories overseas, and avoiding taxes are some ways to increase the profit margin. It is the responsibility of the corporation to focus on making money for their investors who own stock in the business. This may mean doing things that are not best for their customers, workers, suppliers (such as farmers) or communities. The more shares a stockholder owns, the more he or she can control the business. People who own a lot of stock have been known to pressure management to eliminate long-term investments that will help the business grow in the future in order to increase short-term profits right now. These actions may benefit a few stockholders, yet can harm many people — including other stockholders, employees, suppliers and customers — in the long run. Give your students a few moments to digest this information. One stockholder who has a lot of money invested in the company can have much more influence than thousands of customers who actually spend money to buy that company’s products, the employees who help make it successful, and the suppliers who provide the raw ingredients.

6. In a co-operative, it is the members — the people who purchase the co-op’s products, use its services, or work there — who own the business and are encouraged to participate in how the business is operated. What is important to them is that the co-op continues to provide that product, service or job, not that it make as much money as possible. And each member has one vote regardless of how much be or she buys, sells or works during the year at the co-op. No one person has any more control than any other member. This means the co-op can focus on doing what is best for all its member-owners, rather than one or two owners who may not use the business at all. Members of co-ops each have one share of membership stock. No one can buy additional member shares, so no one member of a co-op is more influential than another.

7. To illustrate this, pass out play money to your students. Make sure all students except one get a $5 bill. One student, however, will be given two $20 bills for a total of $40. We are going to form a Sunflower Seed Corporation. As the treasurer of the corporation, I will sell you shares in exchange for your money. Each share is worth $1 and each share represents one vote. Walk around and exchange the 5-share certificates for $5. Present the single 40-share certificate to the student with $40. How many votes do you have? All but one student will have 5 votes. A single student will have 40 votes. (NOTE: for this exercise to work, the collective voting strength of the students who
hold 5 shares must not exceed that of the one student who owns 40 shares. If necessary, give the one student who needs to own the majority of stock more money to “buy” additional shares.)

8. As stockholders, you are entitled to attend the annual meeting. An annual meeting is the event at which the management updates the owners on the current operations and long-range plans of the business. Owners are stockholders. Sometimes, stockholders as owners will vote to support to reject a proposal recommended by management. Let’s say (name the student who owns the majority of the shares) proposes that the Sunflower Corporation buy a potato chip business. You may or may not know that this stockholder also owns stock in a company that sells equipment to make potato chips, or may own a company that sells potatoes. He or she owns the majority of the Sunflower Corporation. All the rest of you have looked at this proposal and believe the Sunflower Company should instead buy new trucks rather than a potato chip company, as the old trucks are costing more and more money to keep running. The potato chip plant may not make money for two or more years. How will you vote? How do you think the majority owner will vote? Place several model trucks at one end of a table and a bag of potato chips at the other end. Have the people who want to buy the potato chip company stand up behind the bag of potato chips (it should be just one student). Then have the people who want to buy new trucks stand up at the opposite end of the table. It should be all the rest of the students. Because of the actual shares owned, one student will have more votes than everyone else. He or she will really decide. Does the amount per share you own in the company affect how each of you makes a decision? Does it seem fair to other stockholders? Take time to discuss these questions.

9. How is a co-operative different than a corporation? We are going to find out. Give every student a $5 bill. Everyone will have the same investment; no one will have more than one share. Pass out stock certificates to each student in exchange for his or her $5 bill. This time, everyone gets one share in the Sunflower Cooperative and only one vote. Now, you are all members of the Sunflower Co-op. Co-ops follow certain business principles, one of which is “One member, one vote.” No one can own more than one member share. We will pretend we are at the annual meeting of the Sunflower Cooperative. At this meeting, the same type of proposal comes up. The co-op members are asked to decide if they should buy a potato chip plant or new trucks. This time, however, each one of you knows that you each have one vote. Those who want to buy new trucks, line up at this end of the table. Those who want to buy a potato chip business, line up here. This time, there may be students at either end of the table. Count the votes and declare the decision: new trucks or potato chips. What made this vote different? Listen to the responses and use them to engage your students in additional discussion. You will want to make the following points. Using the one member, one vote principle, the people who attend the annual meeting can choose what is best overall for the cooperative as compared to a cooperative in which the person with the most votes will choose what is best for him or her alone. Because everyone has an equal position, each stockholder in a co-op is more likely to listen to (and comment on) various proposals before a vote is taken.

10. Both corporations and co-operatives want to be successful. The difference is how we define success is and who will benefit or profit from that success. In a corporation, the majority owners by themselves or a few working together can control a company’s priorities. For this reason, they may take actions that have immediate benefit to themselves at the expense of customers, employees, other stockholders, or our environment. In a co-op, everyone wants to see the business succeed and has an equal vote in its operations. There is more incentive for member-owners to make choices based on the common good of all of its members rather than just for themselves as individuals.

11. Put another way, the benefits of a co-op are returned to all members in numerous ways. Co-operatives return their profits to members based on the amount of business each member does at a co-op. Or, the benefits may be that products are sold at lower prices to members. Owning the co-op also means that those products, services and jobs won’t leave the community. And, the co-op may provide products or services otherwise not available.

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 42
12. For example, most of the food co-ops in our region were started by groups of people who wanted easier access to healthy, organic and locally sourced **PRODUCTS**. Most grocery stores did not provide these products, so these people formed co-ops that would enable them to buy them, together. At first, most would buy the products in bulk, and then divide them up. But many later opened storefronts where people could shop even if they were not members. Some co-ops remained fairly small community stores, while others became quite large with thousands of members and millions of dollars in sales. These co-ops were pioneers in healthy foods and organic products, as well as bulk buying (which reduced costs for members), fairly traded products (which helped small farmers and their co-ops in the developing world receive better prices), and buying locally. All of these products and practices later began to appear in conventional grocery stores, and food co-ops continue to grow in our region.

13. Co-ops are also used to provide **SERVICES** that are not otherwise available. **Rural electric co-ops** provide a good example. Some electric utilities are co-ops, others are investor-owned utilities. Investor-owned utilities often serve cities or areas with lots of people. Why? Because these service areas are profitable. When electric companies were first formed, there were many customers in big cities. Because all the customers — businesses and homes — were close together, the utilities were willing to invest in equipment and power lines to deliver electricity. Big cities had a tendency to grow bigger, resulting in more customers every year. All this added up to more profits for investors. However, investor-owned utilities did not want to serve farms and small towns. The stockholders said there was little hope to make money from a few customers spread far apart. So, farmers and rural communities worked together and invested their own money to create rural electric co-operatives. These co-ops were willing to put up power lines to serve just a few customers miles apart because they followed a principle of treating everyone the same. Co-operatives put the needs of people ahead of profits. Electric co-ops focus on their members, because the members are customers and equal owners in the business. Here in New England there are not as many rural electric co-ops as in other parts of the country, but there are two in Vermont and one in New Hampshire. And in other parts of our region, people are using co-ops to purchase and provide alternative forms of energy, such as solar, hydroelectric and wind.

14. Farmer co-ops enable producers to purchase products together, such as feed for their livestock, seed to plant crops, tools and other supplies. One example is the Greenfield Farmers Co-operative Exchange in Massachusetts. More common in our region are farmer co-ops that provide processing, value-added and marketing services to their members. For example, dairy farmers use co-ops to collect their raw milk, process it into dairy products such as milk in cartons, cheese, and yogurt, and sell it together under a brand that they own together. In this way, farmers are able to take advantage of shared infrastructure and marketing, earn more income, and compete with large corporations. Examples include Cabot Creamery Co-op, which is part of the Agri-Mark Co-op, and Organic Valley. Other farmers use co-ops to market meat, produce, fruit and nuts.

15. People also use co-ops to provide themselves with financial services (credit unions), daycare for their children, marketing for their artwork, and housing.

16. Here in New England, there are also quite a few co-ops that were organized to provide their members with livelihoods and more control of their worklives. These are usually called “worker co-ops” and they can be organized to provide **EMPLOYMENT** for their members and products or services for consumers. Examples in our region include Equal Exchange, which markets fairly traded coffee, tea, chocolate and other products from small farmer co-ops; Collective Copies, which provides copying and printing services; and Pioneer Valley PhotoVoltaics, which designs and installs renewable energy systems.

17. Some co-ops provide a combination of benefits to their members and are called “multistakeholder” co-ops. One example in our region is FEDCO Seeds, a co-op that provides employment to its worker members, and seeds and farming supplies to its consumer members.

18. Tape a white tagboard to the wall or set it up on an easel in a landscape or “sideways” format, or use a whiteboard in the same configuration. At the top write the headings Products, Services, Employment, and Other. Ask your students to help you decide how to categorize the following co-ops based on their primary focus. You may be familiar with some of...

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“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 43
these co-ops. What do you think is the primary benefit they provide to their members? Is it a product, a service or employment? (Refer to the sheet below and be sure to add the names of local co-ops and co-ops that may be familiar to people in the class).

19. When you’ve finished with each of the co-ops, ask your students for some examples of other benefits they think these co-ops provide to the wider community. Of course, don’t only benefit their members. One of the basic principles of co-operation is “concern for community”. Can you name some ways that these co-ops might benefit the community around them? (If you need some help, refer to the “Community” section of each co-op’s description.)

20. Invite your guest speaker to the front of the room. Introduce him or her by name, and give a brief explanation of his or her co-operative. Keep an eye on the time; when the speaker’s scheduled time is coming to a close, step to the front, thank him or her, and ask if there may be any questions. Be sure to thank your speaker again and lead a round of applause.

21. Serve your students snacks that come from co-ops: vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts. While they are enjoying their snack, pass out the crossword puzzle and allow them time to fill it out.

22. Close the activity by asking each student to stand up and share one or two things they learned about co-operative businesses (or corporations) during this session.

Sources: National Farmers Union, Neighboring Food Co-op Association.
Co-ops in our everyday lives

Use examples that will be most useful and thought provoking for your class. Some possible examples are included below. To find a local food co-op, credit union or other co-op, and a map of co-ops in our region, visit http://nfca.coop/co-opeconomy.

[Your Local Food Co-op]
- Members: Provides food and other products to its members.
- Community: Supports the local economy by purchasing from local businesses, provides good jobs, etc.

Organic Valley
- Members: Provides services to its farmer members, including processing, marketing and distribution of dairy, meat and oranges.
- Community: Supports organic farming and a healthy environment.

Equal Exchange
- Members: Provides employment and other benefits to its worker-owners.
- Community: Fair Trade – supports small farmers and their co-ops in the developing world.

[Your Local Credit Union]
- Members: Provides financial services to its members, including checking and savings account, loans, and financial literacy training.
- Community: Keeps money circulating in the local community.

Cabot Creamery Co-op
- Members: Provides services to its farmer members, including processing, marketing and distribution of their dairy products.
- Community: Support family farms, preserve open space and farmland in our region.

[Local Artisan Co-op]
- Members: Provides services to its members, including the marketing and retailing of their artwork.
- Community: Promotes a more vibrant, creative community and local economy.

Deep Root Organic Co-op
- Members: Provides services to its farmer members, including the marketing and distribution of their produce.
- Community: Organic farming, a healthy environment, preservation of family farms.

FEDCO Seeds
- Members: Provides products to its consumer and farmer members, including seeds and supplies, and employment to its worker members.
- Community: Organic products, preservation of heirloom and regional seeds.
This stock in the Sunflower Seeds Hometown Cooperative is awarded to

This stock has no actual value.

2012

One Member, One Vote

Treasurer
Co-operative Crossword

Please complete the crossword puzzle below:

ACROSS
1. A “multi-stakeholder” co-op that sells seeds
2. A co-operative owned by its employees is a __ co-op
3. __ is a worker co-op that markets fairly traded coffee, tea and chocolate
4. A successful early co-operative in England
5. Working together so everyone benefits
6. A financial co-op that lends money to farmer members
7. A financial services co-op

DOWN
1. A farmer co-op that markets organic dairy products
2. A co-operative is owned and governed by its __________
3. EQUALEXCHANGE
4. ROCHDALE
5. COMMUNITY
6. ORGANICVALLEY
7. EQUALEXCHANGE
8. MEMBERS

ANSWER KEY:

"Co-operatives: The Business of Teamwork" ~ National Farmers Union Curriculum ~ p. 49
Lesson 2: Putting Co-ops On The Map

Unit Objective: Your students may not appreciate the history and international scope of co-operative businesses. As you know, co-ops can be quite small, very large or anywhere in between. They can focus on providing one service to a few local customers or deliver a range of products and services to tens of thousands of members. This session delves into the many types of co-ops, their history, and their service areas.

Grades: 6-8

Length: 1 hour: 15 minutes for discussion, 20 minutes for the mapping activity, 10 minutes for Co-op Map activity, 15 minutes for a snack and closing group discussion.

Materials Needed: Pencils, chairs and table space for each student, whiteboard or flipchart and markers; enough color copies of the co-op map for each student (see back cover); one each of a poster-size map of your region, the U.S., and the world (these may be obtained at a discount stores, online, or possibly donated by a local library, travel agency, or AAA outlet); thumbtacks.

Snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation Needed: Be sure to print enough copies of the co-op map of the U.S. for each student. This lesson requires you to research in advance the names of co-ops that serve your city, county, and region (These Web sites will be helpful: www.uwcc.wisc.edu/pubs/CurrentResearch/state-by-state.aspx and ten.wikipedia.org/wiki/List_of_cooperatives#United_States). Also, you will need to know how long your local co-ops have been in business, so a few phone calls or visits may be necessary. Whenever possible, print out the home page of the cooperatives that you choose to use as examples.

Background:

Across America, co-ops provide products, services and jobs to people from all walks of life in rural, urban and suburban communities. Co-ops have been formed to enable people to buy healthy food for themselves and their families, process and market products from their farms, obtain energy to light their homes, provide jobs, and get affordable loans. Co-ops today are flourishing in both bigger cities and small towns. Members of farmer, worker, daycare, credit union and food co-ops are enjoying the benefits of working together for the common good. This lesson looks at the historical roots and current variety of U.S. co-ops.

Teaching Strategy:

1. Ask your students to name a few local businesses. Write down the answers on a whiteboard or flip chart. Now ask them to name a few co-ops. In advance of this lesson you will need to do some research yourself. If students have trouble identifying co-ops, you’ll need to have a few
that you can write down for them to consider. It is probable you will have a credit union, food co-op, or other co-operative business in the community to use as one or more examples, or co-ops that sell products or services in your area.

2. **What makes a co-op different from other businesses?** Listen to the responses given to you and use these as the basis for discussion. A co-op is owned and governed by its members, the same people who use the business to buy a product, obtain a service or have a job. The members have a voice in how the business operates, on the basis of one member, one vote. They can attend annual meetings and serve on the board of directors.

3. *Co-ops are as American as Ben Franklin,* who set up one of the first co-operative efforts in Philadelphia to respond to fires. Back then fires were more common than today and could destroy downtown businesses in minutes. There were no fire trucks, so in order to fight a fire people of the day used buckets of water. Using a co-op, people were able to rely on each other to work as a group and do something no one person could accomplish alone.

4. There were co-ops in the 1700s in both Europe and America. Many of these co-ops were started because the organizers knew they had to work together to accomplish a goal, and the co-op model enabled people with limited resources to create something bigger than they could alone. One co-op really stands out in history. The Rochdale Society of Equitable Pioneers was formed in 1844 in Rochdale, England, by a group of workers, artisans and community activists. The original members each contributed a little money to open a small grocery store on a street called Toad Lane. In those days, quality, affordable food and other products were difficult to get. The people who started this co-op wanted to make these things available to their members, and to use the store to grow other businesses that would not only provide additional products, but create jobs in the community. Why would this one co-op become so important? The members of the Rochdale Society established a set of principles for the co-op that guided the business and made it different from other businesses. These principles worked so well that other co-operatives began to use them, and the co-op business model began to grow around the world.

5. The co-op model is very flexible and can be used in any industry to purchase *products,* obtain a *service* or provide *employment* for its members — or some combination of these activities. For example, most food co-ops — like the Rochdale Society — enable their members obtain *products* that they want, such as natural foods, local products or fairly traded goods. Most farmers in the U.S. are members of co-ops, and use them to obtain *products* such as seed and other supplies. But they also use co-ops to provide themselves with *services* such as a value-added (for example, making their milk into cheese and butter), marketing and distribution (selling their products under a shared brand), or financial services (such as loans). A co-op can provide also be created to provide *employment* for its members, and this is usually called a worker co-op. A co-op can choose to focus on one of these activities and types of member, or some combination. Some common co-ops in New England include food co-ops, farmer and fishermen’s co-ops, credit unions, and worker co-ops. Let’s see if we can find some of them.

6. Pass out colored construction paper and stick pins with which to make flags that will be placed on the city or county map, the U.S. map, and the world map. Show the students how to make a flag by cutting the paper to the proper size and putting a pin through one end of the paper. Each student will be responsible for preparing a flag for at least one local co-op. Use yellow for a food co-op, **green** for producer co-ops such as farmer or fishermen’s co-ops, **white** for credit unions, and **red** for worker co-ops (Feel free to include other types of co-ops, as energy, artisan, housing co-ops, etc., as appropriate.) Ask each student to write the name of the co-operative and how many years it has been in business on his or her flag. You will need to provide these names and years based on your research. During this process, talk about the local co-ops and what types of benefits they provide to their members.

7. Ask the students to step up to the regional map and place their flag about where the co-op is located. They do not have to be exact in the placement of their flags.

8. If you have printed out the home page of any of these co-ops, hand one sheet each to individuals, small teams or tables and ask them to spend a few minutes learning more about the business. Have each person, team, or table report on the co-op. You can ask them what
products the co-op sells, what services it provides, what marketing it may offer to its members. You may want to print a few additional pages from the websites to provide the students with additional information from which to prepare a report.

9. Now ask your students to make blue flags that they will use to identify larger cooperatives in their state or other locations in the U.S. Examples may include Land O’ Lakes or CHS in Minnesota, Ace Hardware in Illinois, CoBank in Colorado, or The Associated Press in New York. The last step in this activity will be to prepare flags using red construction paper. You will need one student to mark a flag “France,” another “Germany,” another “Japan,” another “Canada,” one for “Italy,” and a last one for the Rochdale Pioneers in England. Ask the students to place the appropriate flag in each of these countries. Tell your students that Co-ops are especially strong in these countries. Did you know 2012 is the International Year of Co-operatives? Today we learned about co-operatives in our own community, and we learned that cooperatives have been around for hundreds of years both here and overseas.

10. Pass out the U.S. “co-op” map below to each student. Ask the students by table to answer the questions below the map. Give them five minutes to work on this project. Then ask each table to report on how they answered one question. If you have fewer students, have each table offer two answers. If you have more tables than questions, ask the questions of some tables and then ask the others if they agree or disagree.

11. Pass out snacks of food items that include products made by co-operatives such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

12. We’ve located a few co-ops in our region, and nationwide. I am glad you took time to learn more about these special businesses and how they contribute to our standard of living. Should your schedule allow, ask the children to repeat their reports on local co-ops to parents. Alternatively, the youth could give these same reports at an upcoming co-op or Farmers Union gathering.

Sources: National Farmers Union, Neighboring Food Co-op Association, United States Department of Agriculture, University of Wisconsin Center for Cooperatives.
A Co-op Q&A

In which areas are co-ops more concentrated?

Do you see a relationship between rural areas and the number of co-operatives in those areas?

Do social and public service co-ops show up more in high population areas? If so, why do you believe this occurs?

Are co-operatives found nationwide? Around the world?
Lesson 3: The Business of Co-operatives

Unit Objective: Students will tour a co-op business and meet members of the “team.”

Grades: 6-8

Length: 1 hour: 5 minutes for introduction, 50 minutes for a tour of the co-op, 5 minutes for wrap-up discussion. Either make arrangements for parents to drop off and pick up their children at the co-op chosen for this event, or make other provisions to transport them to the store.

Materials Needed: The “Co-op Q&A” checklist.

Preparation Needed: Make the necessary calls in advance to locate a co-op whose manager will allow your students to tour his or her operation (either hosted by a store employee, the manager or a director). Explain that you will have an activity sheet the students will fill out to learn more about the co-op. Some co-ops you may want to approach about scheduling a tour include: Your local food co-op, a local credit union, an artisan or worker co-op, a rural electric co-op, Farm Credit Services, a local dairy co-op, or a housing co-op. You could also work with a farmer co-op to organize a visit to the farm of a co-op member. Call a day ahead to verify the tour time and who will be the host.

Background:

Co-ops come in many forms. Some are large, serving customers across America’s heartland (CHS, for example). Some have national name or brand recognition (Equal Exchange, Organic Valley, Ocean Spray), while some are more regional (Cabot Creamery Co-op, Deep Root Organic Co-op) and some are more local (your local food co-op, artisan co-op, credit union, or housing co-op). This activity will help participants learn directly about a local co-op so they can understand more fully what makes co-ops unique and the difference they make in our communities.

Teaching Strategy:

1. Meet the children at the entrance to the co-op at the set time. If you need additional adult assistance for a larger group, make sure you have arranged for parents or other volunteers to accompany your group.

2. Walk inside the store or business and meet the manager or other representative as pre-arranged. Make brief introductions and ask your students to promise to be on their best behavior. Hand out the “Co-op Q&A” checklist to the students. Tell your students as they go through the business to write in answers once they learn them. Make sure your host has a checklist too so he or she can help guide the children to discover the answers for which they will be searching. If your students are to wear special clothing (protective glasses, hairnets, hard hats) help them with these items.

3. Encourage the students to ask questions during the tour. You may have to ask a few questions to set the example. Also, you will need to let students know the difference between a service, purchasing, or marketing co-op so they can determine what type of co-op they are visiting.

4. At the conclusion of your tour, have your students thank the store manager.

5. Before they leave, find a quiet spot and ask the children to review their answers with you. This is activity is meant to be an awareness-building exercise for your students.

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 55
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many members belong to this co-op?</td>
<td></td>
</tr>
<tr>
<td>How long has this co-op been in business?</td>
<td></td>
</tr>
<tr>
<td>What is the primary benefit that this co-op provides to its members (is it a product, service or job)?</td>
<td></td>
</tr>
<tr>
<td>Why did members start this co-op?</td>
<td></td>
</tr>
<tr>
<td>What kind of industry does this co-op serve (agriculture, finance, grocery, hardware and lumber, healthcare, energy and communications, recreational, media, housing or other)?</td>
<td></td>
</tr>
<tr>
<td>Is this a retail or wholesale co-op?</td>
<td></td>
</tr>
<tr>
<td>Does the co-op serve non-members?</td>
<td></td>
</tr>
<tr>
<td>Does this co-op make any products?</td>
<td></td>
</tr>
<tr>
<td>Is your family a member of this co-op?</td>
<td></td>
</tr>
<tr>
<td>Name one benefit of belonging to this co-op.</td>
<td></td>
</tr>
<tr>
<td>Does the co-op compete with other businesses?</td>
<td></td>
</tr>
<tr>
<td>What new service or product would you recommend?</td>
<td></td>
</tr>
<tr>
<td>What did you like most about this co-op?</td>
<td></td>
</tr>
</tbody>
</table>
Lesson 4: Ready, Set, Cooperate

Unit Objective: Students will engage in the group dynamics of teamwork.

Grades: 6-8

Length: 1 hour: 10 minutes for the introduction and discussion, 15 minutes for the Cooperative Crossing, 5 minutes for a snack, 15 minutes for the table-setting activity, 10 minutes for discussion, and 5 minutes for concluding comments.

Materials Needed: A flipchart or whiteboard, an empty round table with four chairs spaced around it, a rectangular table with no chairs around it, a tablecloth, a dinner setting for four (plates, non-glass “glasses,” spoons, forks, knives (butter, not steak), cups, saucers, bowls, napkins, and other items as you believe are necessary, a stopwatch. Enough two-by-fours to stretch 24 feet (either three 8-footers or six 4-footers).

Snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation Needed: Put the two-by-fours 2 by 4s on the floor, end to end to create a narrow “bridge.” This bridge should be at least 24 feet in length. It does not have to be nailed together, nor does it have to be supported at the ends. In advance you will want to place all the dinner setting items in a very disorganized pattern on the rectangular table and cover it with a tablecloth. You will need an empty round table next to the rectangular table.

Background:
By nature, children are competitive. Living with siblings, participating in team sports, and developing the first adult interests and responsibilities all create competitive environments. These same situations may also foster cooperative practices. This lesson encourages students to step back and consider how well they can collaborate with others. It will challenge them to see how their individual contributions can count for much more when combined with the efforts of others. This is known as compounding or synergy.

Teaching Strategy:

1. At the top of your flipchart or whiteboard, write the headings “Leadership” and “Teamwork.” Ask the students to describe the difference between leadership and teamwork. Write down their answers below the headings. Leaders may be inspirational (but who do they inspire?); they may take charge in organizing (but who do they organize?); they may determine a strategic plan (but who is responsible for accomplishing the work?); they may build consensus (but whose agreement are they seeking?). Lead the discussion on each of these questions. Be sure to encourage all students to contribute their thoughts.

2. Next question, Can a leader lead if no one follows? Wait for students to offer you their observations. Often we encourage leadership. Leadership requires an equal measure of teamwork. Leaders...
need teams. Otherwise, leaders are just individuals. In life you may be a leader, you may be a member of a team. If you are on a team it does not mean you are a follower. It means you are part of group that can get more done together than any one person could do on his or her own.

3. **Cooperation is a form of teamwork.** In fact, cooperation is one way to create a business operation. In some teams, you do not need a leader or followers. The group discusses a challenge, offers solutions, and reaches agreement together on how to achieve results. Are you ready to try a cooperative challenge as a group?

4. Have the students gather around your Cooperative Crossing. **This is not a competition. This is to see how well you make group decisions and communicate with each other.** Keep each group at 12 to 16 students. Set up a second Cooperative Crossing if you have more students, or have a second group wait until the first one is done. Do not let the second group watch the activity, as they will have to figure it out on their own. Have half the group (6 to 8 students) stand in single file on one end of the “bridge,” the other half will stand at the opposite end. Ask the teams to face each other. **The object is for all the members of one team to exchange places with members of the other team.** None of you can step off the bridge. If you do, you have to return to the spot at which you started and proceed from that location. You will have to communicate and cooperate to cross to the other end.

5. Allow each group up to seven minutes to achieve this goal (adjust the time according to the number of students, if you have just one group give them more time for this activity). Have your students return to their seats. **Use the following questions to prompt discussion.** Did everyone play an equal role in deciding how to pass each other? Did anyone emerge as a leader? Did you discuss more than one way to attempt this task? How did you feel if you stepped off the bridge? How did you feel when someone else stepped off?

6. Time for a snack. **This is a good opportunity to highlight co-op products, especially those made or sold locally.** Snack items may include vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). For a list of co-ops that you could source products from, visit [http://nfca.coop/co-opproducts](http://nfca.coop/co-opproducts).

7. Lift back the tablecloth covering the rectangular table and place it on the round table. Ask your students if they help set the table at home. For those who have (all of them, hopefully), ask them to tell you what routine they use to make the job easier and go faster. Break your students into two groups of equal size. Select one group and ask them to set the table as quickly as possible. Give them no further directions. Use a stopwatch to time them.

8. After they have set the table, inspect their results then ask them return everything to the rectangular table and make sure these items are again disorganized. Tell the second team they too will have to set the table as quickly as possible. However, they will do it as a cooperative effort. Allow them time to discuss their task in advance. Do not use the stopwatch during this discussion. If they need guidance, suggest they first organize the items on the rectangular table but stacking or organizing cups, glasses, dishes, bowls, and silverware. As a cooperative effort, the next step will be for each student to accept an assignment. One will place plates, another glasses, another silverware, another napkins and so on. They also should decide in
which order they might do these tasks. When they are ready, use your stopwatch to time them.

9. Hopefully, the second team will be quicker (and calmer) in setting the table.

10. Okay, some of you will say this is an unfair competition. Actually, it is only an example of cooperation. When a group is unorganized, it shows. Cooperation works if you begin by first organizing. You need to talk to each other to determine your goals, draw up your action plan, and assign responsibilities.

11. Pass out the discussion checklist. Direct your students to write their answers or observations to each question. While they are doing this, tape the signs “Agree” and “Disagree” on opposite walls.

12. Some students work more quickly than others. Use your judgment on when to begin discussion of this exercise. Ask the students to gather in the middle of the room. For each question you ask, have the students run toward the “Agree” or “Disagree” signs. Once they have chosen, ask students to share their own answers to the question. You may want to ask students by name to assure each one has an opportunity to participate. Not every student has to answer each question. Adjust this back-and-forth discussion for the time you have remaining in this lesson.

13. Close your lesson by assuring your students they can accomplish a lot through cooperation rather than competition.

Sources: Adapted from Activities That Teach, KnowledgeStorehouse, Neighboring Food Co-op Association.
What does it take to cooperate?

Does cooperation require compromise, listening, sharing, encouraging, taking turns, and doing your part?

Is it fun to work in groups?

Can it be frustrating when working in groups?

Is it easier to cooperate with your friends?

Continue with these general discussion questions
What is something you have to do to cooperate at school?

Can you think of any examples of cooperation in nature?

How does your family cooperate?

Alexander Graham Bell said, "Great discoveries and improvements invariably involve the cooperation of many minds." What does that mean to you?

When is it okay to be uncooperative?
Teacher’s Insight: What does it take to cooperate?

Does cooperation require compromise, listening, sharing, encouraging, taking turns, and doing your part?
(Share a few examples from today’s activities)

What is fun about working in groups?
(Learn new things, some people have different ideas to contribute)

What can be frustrating when working in groups?
(One person is too bossy. No one listens. Some people have different ideas and try to pull the group in different directions)

Tell about a time you cooperated with your friends.

What is something you have to do to cooperate at school?

Can you think of any examples of cooperation in nature?
(Bees building a colony and gathering food)

How does your family cooperate?

Alexander Graham Bell said, "Great discoveries and improvements invariably involve the cooperation of many minds." What does that mean to you?

When is it okay to be un-cooperative?
(People trying to get you to do things you know are bad. If others want you to join them in bullying a classmate, is it right?)
Agree

Disagree
Optional Activities

The following activities could be incorporated at the end of any lesson to fill extra time.

1. Discuss other ways to prepare fruits and vegetables. Examples may include pouring skim milk over a small bowl of sliced fruit and adding a dash of honey; adding fruit slices to a whole bran cereal; grilling shish kabobs of potatoes, tomatoes, green or red peppers, and onions; making a sandwich using sliced tomatoes or onions or radishes using low-fat ranch dressing on whole wheat bread.

2. Have the students prepare a thank you card for their host co-op. Use a large tagboard folded in half and have all of the students sign it. Be sure to make the card colorful and bold. Chances are the store will display it so be sure to add your group’s name at the bottom.

3. Have the students step up to the whiteboard or flip chart and write down the good food item they should eat more of, and beside it write the snack food they eat too much of.
Hanover Consumer Co-operative Society – The Co-op Food Stores of New Hampshire & Vermont
National Farmers Union

“Co-operatives: The Business of Teamwork”

Section 4: Grades 9-12

Contents:

Lesson 1: Great Business Principles ~ 1 hour
Lesson 2: Rural, Urban, Dairy, Daycare ~ 1 hour
Lesson 3: Concern for Community ~ 1 hour
Lesson 4: Big Numbers, Big Impact: But Just for You ~ 1 hour

Optional Activities

For more information contact:
National Farmers Union
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Neighboring Food Co-op Association
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New England Farmers Union
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www.newenglandfarmersunion.org

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Lesson 1: Great Business Principles

Unit Objective: Co-ops are unique businesses for many reasons. Unlike other businesses, cooperatives are owned by their members, the people who use the co-op’s products and services, or are employed by the business. The members also guide the business, setting the co-op’s priorities. Also, co-ops adhere to a proven set of values and principles that guide how they conduct business.

Grades: 9-12

Length: 1 hour: 20 minutes for the opening discussion and outline of the seven co-operative principles, 15 minutes for the guest speaker, 5 minutes for snacks, 20 minutes for the Principles to Live By activity and closing discussion.

Materials: Whiteboard or flipchart, enough pencils or pens and handouts of the Seven Co-op Principles and Principles to Live By for each student.

Snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation: Call one week in advance of the meeting to arrange for a manager or director of a co-op to be the guest speaker. Ask this person to talk about why his or her co-op is different than other businesses, especially as it relates to the co-op principles. Verify this person’s participation by a second phone call the day before the class.

Background: Co-operatives are a type of business that put people before profits. Because of their unique business structure, co-ops are accountable to their members and their communities. The Co-operative Values and Principles are at the heart and history of co-operatives.

Teaching Strategy:

13. People and businesses live by certain codes or standards. Can you think of any standards or rules by name that people use every day? Write down the response given to you. If no one can think of any by name, offer the following as a way to encourage discussion: The Bill of Rights, The 10 Commandments, The Constitution, the Golden Rule (Do unto others…), the Boy Scout Oath or Girl Scout Promise, your state’s traffic rulebook, the high school student manual.

14. Why do we have certain rules? Use their responses to build discussion among your students. Rules provide a guideline of expectations. For example, traffic rules state drivers are to be in the right-hand lane. What would happen if everyone were allowed to pick his or her own lane? This image initially may seem humorous to a few of you but ultimately would be tragic for everyone. Rules are written to bring order and fairness to our daily lives.

15. Move on to this question. Do American businesses have a good reputation for doing the right thing, or do they have a bad image for doing things that are wrong? What do you think the “bottom line” is for a
corporation? This question may generate opposing comments. Some students will know of companies that have been in the news as a result of their misdeeds. Oil companies and banking and investment firms are among the businesses whose priorities have been to grab excessive profits or taking shortcuts that hurt the environment. Yet some companies have cultures that embrace doing good for others. Encourage each student to offer a comment on a local, regional, or national business that stands out as a good company or is viewed as a bad company.

16. Co-operatives are also businesses, but they are unique in a number of ways. First, co-ops are owned by their members — the same people who use the co-op’s products or services, or are employed there. Together, the members own the business, share any profits, can run for the board of directors, and have a voice in the overall priorities. Co-ops are also part of a global movement that is guided by a set of values. The International Co-operative Alliance (www.ica.coop) lists a set of values that include self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. (Write the values out on the white board or flipchart as you say them, or have them prewritten on a page of the flipchart.) Do these sound like good values to you?

17. The ICA also lists seven principles that are the rules co-operatives use to put these values into action as they run their business. Does anyone know any of the co-op principles? (Let your students share their knowledge of the principles of which they are aware. Hand out the ICA’s “Co-operative Identity.”) Let’s consider each one. (Write the principles out on the white board or flipchart as you say them, or have them prewritten on a page of the flipchart.)

18. The first principle is **Voluntary and Open Membership.** Co-operatives are member organizations, yet membership is open to everyone without gender, social, racial, political, or religious discrimination. No one can be forced to be a member of a co-op. Remember, co-ops treat everyone equally so it stands to reason they do not limit membership for any reason (although some co-ops may limit membership to geographic areas, ability to participate or types of employment). The members are people who use the co-op to buy things, obtain a service, or have a job.

19. The second principle is **Democratic Member Control.** This means that each member has one vote: it does not matter how much business he or she does at the co-op, or how much money they have in the business. No one member can buy additional member shares or additional votes. Co-op members are encouraged to have a voice in setting policies and priorities. Such involvement often takes place by voting on proposals at the annual meeting. During the year a board of directors elected by the members oversees the operations and supervises the general manager or management team.

20. The third principle is known as **Member Economic Participation.** Simply put, the members provide working capital for the business. Co-ops are designed to provide a product, a service or a livelihood, and any money left over at the end of the year (known as surplus in a co-op) is reinvested in the business to serve members better, or returned to them in proportion to the business they do with the co-op.

21. **Autonomy and Independence** make up the fourth principle. This means co-operatives are controlled by their members, not external investors, businesses or government organizations. If a co-op enters into an agreement with other businesses or organization, it does so on terms that maintain the democratic control of its members.

22. The fifth principle calls for a commitment to **Education, Information, and Training** programs for members, managers, employees, policymakers and the next generation of co-operators. Some members do take co-ops for granted. Their parents, grandparents or great-grandparents may have sacrificed to help start and build the co-op without explaining to current and potential members the value of their co-ops. Therefore, co-ops make a special effort to arrange for ongoing education for each new generation of members. They have an obligation to explain to all stakeholders how a co-op works, the benefits of being a member, and the benefits for the community as a whole. Some co-operatives set aside funds to support educational programs such as the Farmers Union’s adult training activities and summer camp programs for youth, or the Howard Bowers Fund which provides funds for the education and training of food co-op members and staff. This development of this curriculum was also supported by co-ops in our region such as the Neighboring Food Co-op Association and farmer co-ops such as Organic Valley.

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23. This may seem obvious, but the sixth principle is Cooperation among Co-operatives. Wherever and whenever possible, different co-operative businesses look for opportunities to work together and rely on each other for services and goods. By purchasing from one another, we grow the co-operative movement, benefit our communities, and expand opportunities for co-operative ownership for more people. Our co-ops are built on a tradition of growing the co-operative economy, together.

24. The seventh principle is also the newest. Concern for Community was added in 1995. Co-ops are community-based and locally owned. While they are focused on meeting the needs of their members, they also serve the wider community. Through a variety of ways, co-operatives and their employees give back to their own communities and to communities around the world through organizations such as the Co-operative Development Fund.

25. How do co-ops work in the real world? Let’s find out. Our speakers will help us understand how co-ops work to put these values and principles into action every day. Introduce your speaker and offer a brief explanation of the purpose of his or her co-op. Be sure to pay attention along with your students to the speaker. Allow time for your students to ask questions of the speaker. The following questions could be asked by you or by your students at this time. How does your co-operative address “concern for community”? What is your favorite principle and why? Do you believe your customers trust your business more because of these values and principles? Is it easier or harder to manage a co-operative because the members own the business? When either the questions or time runs out, thank your speaker for taking time to visit with your students.

26. Serve snacks that include products made by co-ops such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

27. Did you know many co-ops and credit unions in our country were started by Farmers Union members? Some of these co-ops are 50 years old, and a few are more than 80 years old. These co-ops range from rural electric companies to Fortune 100 businesses such as CHS. Here in New England, worker co-ops like Equal Exchange and Collective Copies have been around more than 25 years. Farmer co-ops like Cabot Creamery Co-op and the Greenfield Farmers Co-operative Exchange were founded in the early 1900s. And we have food co-ops such as Putney Food Co-op and the Hanover Consumer Co-op (Co-op Food Stores) that are more than 70 years old.

28. Break the students into groups based on the overall size of your class. Each group should consist of at least two but no more than six students. Hand out the “Principles to Live By” worksheet. We talked about business principles today — especially the co-op principles. Now I want each group to discuss the questions on this sheet, come up with answers, and share your results with the entire class. Keep an eye (and ear) on the discussions. When it is clear to you the students are done with the assignment, ask them by group to share their answers and how they reached them.

29. Ask your groups to give their reports. After the last group is done, invite every student to stand up one by one and share one comment about what they learned during this session.

30. Principles may also be thought of as policies. Farmers Union is a grassroots organization. That means they want all their members — farmers and consumers — to be involved, especially in recommending policies that support a more healthy and sustainable food system. Farmers Union’s policies are written by the people who show up, stand up, and speak out just as you have done today. Working with groups like the Neighboring Food Co-op Association and your local food co-op, they are encouraging people to learn more about co-ops and put the co-operative principles and way of doing business to work in our communities.

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| Sources: | National Farmers Union; the National Co-operative Business Association; Neighboring Food Co-op Association; USDA; the University of Wisconsin’s Center for Co-operatives. |
Principles to Live By

Rules, guidelines, mission statements, oaths, and creeds are a few examples of principles people put in writing to state what they stand for, how they will conduct their lives and how they will work together. Some of these apply to our families, communities or society, others to business. Many can overlap. Consider these factors as you develop answers to these questions.

I believe every business should adopt this principle:

All individuals should live their personal lives by this principle:

In sports, the most important principle should be:

To work well, should principles be mandatory or voluntary?

Name one well-known principle that you believe has stood the test of time.
The Co-operative Identity

The International Co-operative Alliance (ICA) is a global association of co-ops and co-op support organizations founded in 1895 to advance the co-operative movement worldwide. Today, co-operatives around the world operate according to the Statement on the Co-operative Identity established by the ICA and updated in 1995:

**Definition.** A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

**Values.** Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

**Principles.** The co-operative principles are guidelines by which co-operatives put their values into practice:

1. **Voluntary and Open Membership.** Co-operatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. **Democratic Member Control.** Co-operatives are democratic organizations controlled by their members—those who buy the goods or use the services of the co-operative—who actively participate in setting policies and making decisions.

3. **Members' Economic Participation.** Members contribute equally to, and democratically control, the capital of the co-operative. This benefits members in proportion to the business they conduct with the co-operative rather than on the capital invested.

4. **Autonomy and Independence.** Co-operatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the co-operative’s autonomy.

5. **Education, Training and Information.** Co-operatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operative. Members also inform the general public about the nature and benefits of co-operatives.

6. **Cooperation among Co-ops.** Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. **Concern for Community.** While focusing on member needs, co-operatives work for the sustainable development of communities.

www.ica.coop
Lesson 2: Rural, Urban, Dairy, Daycare

Unit Objective: Co-ops can be found around the corner and around the world. Many co-ops have been serving members for more than 100 years — and some for even longer. Each year a new crop of co-operatives take root as people find new ways to use this business model. This session delves into the many types of co-ops and their overall history.

Grades: 9-12

Length: 1 hour: 40 minutes for discussion on co-operative history, types and sectors, 5 minutes for the snack, 15 minutes for the What Is It and Trivia worksheets.

Materials: Whiteboard or flip chart, handouts.
Snacks such as vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). Where possible, purchase snacks produced by co-ops at your local food co-op. For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

Preparation: Print enough What Kind of Co-op and Co-op Trivia for your students. Contact one or more local co-ops to provide inexpensive prizes for your students. Every student should get something, if possible. If you have a few prizes that have more value, award these to the students who score highest (ask them to correct their own papers). To find the Top 100 U.S. co-operative businesses, go to www.ncb.coop/uploadedFiles/New_Site_Content/Publications/2010_NCB_CO-OP_100.pdf

Background:
Farmers Union members helped create hundreds of co-operatives in America’s heartland. Many co-ops have their roots in rural communities and agriculture. Co-operatives may also be found in the largest cities. Housing and daycare co-operatives are just as important to their respective members as dairy and rural electric co-ops are to their own members.

Teaching Strategy:
1. Advise your students you will have several handouts for them. These handouts will have fill-in-the-blank or multiple-choice questions. You will provide most of the answers in the examples you mention in the next few minutes. Successful co-ops have been around for 50 years, 75 years, 100 years, and in some cases more than 200 years. The Rochdale Equitable Pioneers in England was formed in 1844 and set the business standards used by almost all co-operatives to this day. A co-operative grocery store, the Rochdale Co-op never ceased operation, but through a series of mergers with other co-ops became part of what is today the Co-operative Group, which is one of the largest and most successful co-ops in the world.

2. Here in the U.S., co-ops were formed for many reasons. Some were started because no existing business was providing a needed service or product. Others were formed because existing businesses were providing poor
service or charging too much for products, or because people wanted to provide themselves with good jobs. And others got their start when a group of people had an innovative business idea and wanted to create a different kind of enterprise to make it happen.

3. If many co-ops have their roots in rural America, who do you think might have started them? Write down the answers on the whiteboard or flipchart. Answers should include farmers, ranchers, and people who live in rural communities. Explain that life was much different 100 years ago. Big cities were growing at amazing rates. Rural communities were left behind as modern conveniences became common in population centers. Electricity, water, and telephone services were established and expanded in large cities such as Chicago and New York. The companies that provided these services did not want to spend money to deliver the same services to a few farms hundreds of miles away. They wanted to make the biggest profits with the least amount of investment.

4. Ask your students to share with you what they would feel like if they had no access to cell phones, the internet, eBay, Facebook, and iPods but people in the nearest big city (name one close by) did. Would they feel deprived? Cheated? Left behind and at a disadvantage in life? This is how rural Americans felt 100 years ago, and it got much worse for them in the 1920s and 1930s.

5. People were inspired to form co-ops. They saw a co-operative business as something they would control, rather than a business that controlled them. The growth of co-ops and the growth of farm organizations went hand-in-hand. In 1875, a farm group called the Grange adopted rules by which to run co-operative enterprises. These rules were based on the Rochdale principles. The Grange was made up of farmers who wanted to work together for a better way of life. Something as simple as buying twine together was an early example of a co-operative effort among farmers. Twine is like a small rope used to hold hay bales together. Farmers would pool their orders for twine, getting a lower overall price for the large single purchase and then share the shipping costs. This added up to significant savings for farmers.

6. It is true many farm organizations and co-operatives first flourished, then failed. They may not have had enough money to stay in business during the severe economic downturns that occurred. In 1902 the National Farmers Union (NFU) was organized in Point, Texas. Farmers Union organizations soon grew in other states and in 1903 Farmers Union formed its first marketing co-operative. The 1920s and 30s were a time of explosive growth of new co-ops. Thanks to Farmers Union members, many farmer-owned co-ops were formed. There were (and still are) locally-owned Farmers Union Oil and Grain Elevator co-ops. In 1926 Farmers Union members founded the Farmers Union Terminal Association. In 1927, the Farmers Union Central Exchange was established. The Farmers Union Terminal Association was a marketing co-op farmers used to sell their grain. The Central Exchange was a purchasing co-operative. It bought farm supplies in bulk and passed the savings along to farmers. Both the Central Exchange and Terminal Association were regional co-operatives that were owned by the local Farmers Union co-operatives. Those local co-ops provided the money to get the regional co-ops going. In turn, the regional co-ops became big enough to provide lots of goods and services to local co-operatives. Regional co-operatives operated oil refineries and shipped fertilizer and fuel by the trainload. Local and regional co-operatives worked for the benefit of farmers and ranchers.

7. Farmers Union members of the 1920s and 30s actively started many other co-operatives. They organized co-operative Farmers Union lumber yards, grocery stores, credit unions, and creameries. And, Farmers Union members helped organize rural electric and telephone co-ops and Farm Credit Services, to name a few. Some of these co-operative ventures required federal legislation for authorization and funding. Farmers Union members worked with state and federal lawmakers to draft policies that cleared the way for co-operatives to serve their members. In more recent years, numerous locally-owned Farmers Union co-operatives have merged and now operate under new names. (NOTE: If you have a local example, mention it at this time.) The same is true of regional co-operatives. The Farmers Union Grain Terminal Association became Harvest States, while the Farmers Union Central Exchange became Cenex. These two regional co-ops merged in
8. Co-ops can be used for almost any business activity. Broadly, co-ops can be used to PURCHASE or PROVIDE products or services, MARKET products or services, or EMPLOY people. In some cases, a co-op is formed to perform a COMBINATION of these activities.

9. Farmers buying a large amount of twine and sharing the shipping cost is an example of purchasing. Purchasing co-operatives also are known as buying or supply co-ops. These co-ops buy items in bulk, keep their distribution costs low and return the savings to members. Examples of purchasing co-ops include CHS, which provides Cenex-brand fuel, fertilizer, and other farm inputs to locally-owned co-operatives. Another example is Recreation Equipment Incorporated (REI), a consumer co-operative whose stores feature outdoor gear. (NOTE: Do your research in advance so you are able to name one or more local or regional purchasing co-operatives that serve your area).

10. Co-ops can also provide services to their members by purchasing them together. Examples include rural electric co-ops, credit unions, and Farm Credit Services. Many communities have co-operative daycares, co-operative health care facilities, and co-operative housing. In Minneapolis, 7500 York Co-operative was formed in 1978 as the first senior housing co-operative in the U.S. In some states, mutual Farmers Union Insurance companies operate much like a co-operative, being owned by the policyholders who vote at the annual meeting and can run for the board of directors.

11. Co-ops can also focus on marketing items for, rather than to, their members. These items could be grain, livestock, even artwork and antiques. Marketing co-ops are a good fit for farmers and ranchers. Organic Valley takes milk from its farmer members and processes it into cheese, milk, margarine and butter. Port Clyde Fresh Catch, also known as the Midcoast Fishermen’s Co-op, collects seafood from its members and markets it direct to consumers and through food co-ops and other retailers. (NOTE: Do your research in advance so you are able to name one or more local or regional marketing co-operatives that serve your area).

12. There are also co-ops organized to provide employment and livelihoods for their members. Examples include worker co-ops such as Equal Exchange, which sells fairly traded coffee, tea and chocolate from small farmer co-ops, Collective Copies, which provides printing services, and Valley Green Feast, a local foods home delivery service.

13. A few co-ops perform a combination of these roles. They may market grain for farmers, sell fuel to farmers, and provide agronomy services as well. FEDCO is a co-op that provides seed and farming supplies to its consumer members and employment to its worker members. However, these co-ops typically focus on one area much more than the others. (NOTE: As with the previous examples, research in advance so you can name specific service co-ops that meet the needs of local or regional members).

14. While co-ops are locally owned by their members, they can be regional, national, or international in their service areas. Co-operatives may also be categorized as centralized, federated or mixed. A centralized co-operative is made up of individual members and have one board of directors. Federated co-operatives may have other co-operatives as members. An example is the Neighboring Food Co-op Association, which is a co-op that has food co-ops as its members. Federated co-operatives are a way for existing co-operatives to combine their resources to accomplish something they cannot do on their own. Mixed co-operatives can have both individuals and other co-operatives as members. CHS and Land O’Lakes are mixed co-operatives.

15. Lastly, co-operatives can be classified according to the business sectors established by the International Co-operative Alliance. These sectors include agriculture co-operatives, worker co-operatives, housing co-operatives, grocery or food co-operatives, insurance co-ops, childcare and preschool co-operatives, health care maintenance organizations, and financial co-operatives.

16. It is time for a snack. If possible, serve snacks that are made by co-operatives: Vegetable or fruit slices (such as bananas from a co-op such as Equal Exchange, or carrots from Deep

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Root Organic Co-op), milk (from co-ops such as Organic Valley, Our Family Farms and Rhody Fresh) cheese (from co-ops such as Organic Valley and Cabot Creamery Co-op), and orange, grape or cranberry juice (from co-ops such as Organic Valley, Welch’s, Florida’s Natural and Ocean Spray). If it’s chilly, you could offer hot chocolate (from a co-op such as Equal Exchange). For a list of co-ops that you could source products from, visit http://nfca.coop/co-opproducts.

17. Hand out the “What Kind of Co-op” worksheet. Read the directions to the students and allow them to fill it out.

18. Review the answers for this worksheet. Use the opportunities to further discussion of co-operatives and their impact in your hometown.

19. Now pass out the Co-op Trivia sheet. Allow the students time to complete the sheet, then review the answers and correct it. Based on who had the highest overall scores, award the prizes provided by co-operatives, if any.

What Kind of Co-op?

Co-ops can be used for almost any business activity. For example, members can use the cooperative business model to purchase or obtain a product or service, to market a product or service, or to employ people. In some cases, a co-op performs some combination of these activities, serving a variety of member types.

In addition, the International Co-operative Alliance (ICA) defines co-ops by their sector. These are some of the more common business areas where you will find co-ops such as Agriculture, Banking & Credit, Consumer Goods, Fisheries, Health, Housing, Worker (Industry & Services), Insurance & Travel. Other sectors include utilities such as electricity, and daycare services.

See whether you can identify the following co-ops by their activity and sector:

- **CHS** provides fuel and fertilizer to its farmer members, and also markets their grain.
- **Washington Electric Co-op** provides electricity to homes and businesses in Vermont.
- **Organic Valley** collects milk from its members in New England and across the country, has it processed into dairy products such as milk, cheese and butter, and markets it to food co-ops and grocery stores.
- **FEDCO Seeds** in Maine enables its consumer members to purchase affordable farming and gardening supplies, as well as jobs for its worker members.
- **Equal Exchange** provides employment to its members, marketing coffee, tea, chocolate and other fairly traded products produced by farmer co-ops in the developing world.
- **Shelburne Falls Artists Co-op** in Massachusetts provides a storefront to its members to sell their arts and crafts, including ceramics, jewelry, photography and clothing.
- **Yankee Farm Credit** provides operating loans to its farmer members in New England.
- **The UMASSFive College Federal Credit Union** provides its members with financial services such as checking and savings accounts, loans, and financial literacy programs.
- **Lincoln Woods** is a co-operative housing development in Massachusetts that provides affordable apartments to its members.
- **REI** is a national co-op that sells hiking, camping, and other outdoor equipment to its members.
- **Deep Root Organic Co-op** markets produce for its farmer members in Vermont and Québec.
- **Collective Copies** is a business owned by its employees who provide digital printing and finishing services.
- **City Market / Onion River Co-op** in Burlington, VT, is a full service grocery store owned by the people who shop there.
- **Cabot Creamery Co-op** markets cheese, butter and other dairy products for its farmer members in New England and New York State.
**What Kind of Co-op? (Answer Key)**

Note that these answers are not always definitive. Some can be debated, which is fine. The point is to demonstrate that the co-op model can be used for a broad range of purposes across our economy to help people help themselves.

- **CHS** provides fuel and fertilizer to its farmer members, and also markets their grain. *(Activity: Purchase, Market. Sector: Agricultural)*

- **Washington Electric Co-op** provides electricity to homes and businesses in Vermont. *(Activity: Purchase. Sector: Other)*

- **Organic Valley** collects milk from its members in New England and across the country, has it processed into dairy products such as milk, cheese and butter, and markets it to food co-ops and grocery stores. *(Activity: Market. Sector: Agricultural)*

- **FEDCO Seeds** in Maine enables its consumer members to purchase affordable farming and gardening supplies, as well as jobs for its worker members. *(Activity: Purchase, Market. Sector: Consumer Goods, Worker)*

- **Equal Exchange** provides employment to its members, marketing coffee, tea, chocolate and other fairly traded products produced by farmer co-ops in the developing world. *(Activity: Market. Sector: Worker)*

- **Shelburne Falls Artists Co-op** in Massachusetts provides a storefront to its members to sell their arts and crafts, including ceramics, jewelry, photography and clothing. *(Activity: Market. Sector: Other, Artisan)*

- **Yankee Farm Credit** provides operating loans to its farmer members in New England. *(Activity: Purchase. Sector: Agricultural)*

- **The UMASSFive College Federal Credit Union** provides its members with financial services such as checking and savings accounts, loans, and financial literacy programs. *(Activity: Purchase. Sector: Banking & Financial)*

- **Lincoln Woods** is a co-operative housing development in Massachusetts that provides affordable apartments to its members. *(Activity: Purchase. Sector: Housing)*

- **REI** is a national co-op that sells hiking, camping, and other outdoor equipment to its members. *(Activity: Purchase. Sector: Consumer Goods)*

- **Deep Root Organic Co-op** markets produce for its farmer members in Vermont and Québec. *(Activity: Market. Sector: Agricultural)*

- **Collective Copies** is a business owned by its employees who provide digital printing and finishing services. *(Activity: Market. Sector: Worker)*

- **City Market / Onion River Co-op** in Burlington, VT, is a full service grocery store owned by the people who shop there. *(Activity: Purchase. Sector: Consumer Goods)*

- **Cabot Creamery Co-op** markets cheese, butter and other dairy products for its farmer members in New England and New York State. *(Activity: Market. Sector: Agricultural)*
Co-op Trivia

Many co-operatives were formed by farm organizations including:
A. Farmers Union    B. Farm Holiday Association    C. Prairie Sons

The name CHS was derived from:
A. Randomly chosen letters    B. CENEX Harvest States    C. Roman numerals for 1927

Production Credit Association and Federal Land Bank merged to become:
A. Production Land Bank    B. Federal Credit Association    C. Farm Credit Services

An English co-op in 1844 adopted business rules known as the:

Many co-operatives were started in rural America because:
A. Cities were crowded    B. Taxes were lower    C. Farmers wanted a better way of life

Regional co-operatives are big enough to provide:
A. Services and products requiring major investments    B. Free pens    C. Coupons

Co-operatives want their members to:
A. Stay away from the annual meeting    B. Be involved    C. Shop anywhere

The profits from co-operatives are:
A. Typically lost on Wall Street    B. Taken by investors    C. Returned to members

By working co-operatively, people can achieve together what they:
A. Cannot do by themselves    B. Would expect the government to do    C. Don't need

There are all kinds of co-operatives, including:
A. The National Guard    B. Day cares and retirement homes    C. Car companies

Membership in a co-operative is restricted based on:
A. Nothing, membership is open to all    B. Hair color    C. If your parents are members
Co-operative Trivia (Answer Key)

Many co-operatives were formed by farm organizations including:
A. Farmers Union  B. Farm Holiday Association  C. Prairie Sons

The name Cenex was derived from:
A. Randomly chosen letters  B. Central Exchange  C. Roman numerals for 1927

Production Credit Association and Federal Land Bank merged to become:
A. Production Land Bank  B. Federal Credit Association  C. Farm Credit Services

An English co-op in 1844 established business rules known as the:

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Lesson 3: Concern for Community

Unit Objective: A key co-operative principle is Concern for Community. Students will team up with a local co-operative and their Farmers Union organization to learn how this principle works at the local level.

Grades: 9-12

Length: 1 hour: 10 minutes for the introduction, 45 minutes for the activity, 5 minutes for the wrap up.

Materials: The materials list will depend on what specific project your students undertake. These may include safety glasses, gloves or buckets.

Preparation: This specific activity may include working with a local co-op. This project may require you to meet at a local co-operative to participate in a “Concern for Community” Service Project. Specifically, this project will be aimed at raising funds for a project related to co-operative development, disaster recovery or policy engagement. See guidelines below.

Background: The Seven Co-operative Principles are a time-tested set of business rules that govern co-operatives. One of the principles is Concern for Community. This lesson focuses exclusively on this principle and also on building a link between your youth, the Farmers Union, local co-ops and the wider co-operative movement.

Teaching Strategy:

1. Meet your students at the co-operative or other location at which you will hold your activity. Group your students in a quiet place to discuss the following.

2. Hand out the Seven Co-op Principles (found in the first lesson in this section). Co-operatives operate much like any businesses. They hire employees, sell products or services to customers, and earn a profit. There are several important differences. One, co-operatives are owned by their members. Two, co-operatives return their profits and other benefits to their members and the community. Three, co-ops follow business rules known as the Seven Co-op Principles. Take a moment to read the principles I’ve handed out.

3. Once your students have read the principles, ask them the following questions. Use these questions as the basis for engaging them in discussion on the principles. Which one of these principles stands out when you think of how most businesses operate? Steer the conversation to focus on Concern for Community. Do you think big businesses have a deep interest in your hometown? Does a locally owned business have more reasons to support our hometown? What about a business that is owned by the people who use its products or services, or who work there.

4. Today we are going to work on a service project that supports the co-operative principle of “Concern for Community.” Explain the project in detail, along with any requirements regarding safety equipment and procedures. Introduce anyone from your Farmers Union organization and/or the co-operative with whom you will work. Maintain an enthusiastic and positive attitude during the event.

5. Ask one or more of your students to offer to report on your Concern for Community activity at the annual meeting of your Farmers Union organization or at the co-op’s annual meeting.

Sources: KnowledgeStorehouse, Neighboring Food Co-op Association.

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 80
Concern for Community

Identify one or more of your local co-operatives (a food co-op, worker co-op, rural electric, credit union, farmer co-op, or other). Focus first on co-ops that have a current or historic relationship with the New England Farmers Union or regional co-op associations such as the Neighboring Food Co-op Association and the Valley Alliance of Worker Co-ops. Another option is to look for a regional co-op that has business operations or members in your area (for example, Cabot Creamery Co-op, Deep Root Organic Co-op, or Organic Valley). For a map of co-ops in our region, visit http://nfca.coop/co-opconomy.

At least one month in advance of this session, meet with the manager or other representative of the co-op. Explain that you are teaching a class on co-operatives to local students in grades 9-12. Tell them you specifically want to focus on the Seven Co-operative Principles and specifically on the Principles of “Concern for Community” and “Cooperation among Co-ops”. Say your students would like to work on an activity on behalf of the co-op. Let them know your preference is an activity that raises money for a special project that is sponsored by the co-op (such as a food pantry, community garden, etc.).

Assure the manager that your students will behave, and that they will follow any safety or equipment requirement the manager will expect. You will want to set up the objective of the project, the time, date, and location for the event, and other details. As this is a free-form project, it is up to you to spell out the details. It is up to you to advise parents and students where they have to be and how to dress for what they will be doing. If required, promote the event with a short news story and posters in your community.

Another option would be to help your students organize a fundraising project using products from a co-op, and then donating the funds to a cause linked to the work of the Farmers Union and the co-operative movement. Some examples include:

- The New England Farmers Union’s “Send a Farmer to Washington” program (http://www.newenglandfarmersunion.org/donate.html);
- The “Howard Bowers Fund” of the Cooperative Development Foundation (CDF), which supports training and education of food co-op staff, managers, and board members (http://www.cdf.coop/about-bowers-fund);
- CDF’s “Disaster Recovery Fund” which provides vital support to co-ops and co-op members after natural disasters. For example, the fund provided funds for reconstruction in the wake of Hurricane Irene in New England (http://www.cdf.coop/about-disaster-recovery-fund);
- New start-up co-ops in our region (for more information, contact the Neighboring Food Co-op Association at info@nfca.coop).

Some co-ops in our region have programs designed specifically to support fundraising efforts. Examples include Cabot Creamery Co-op (dairy products), Equal Exchange (fairly traded coffee, tea, chocolate and other products), and FEDCO Seeds. For more information, visit their websites:

- http://www.equalexchange.coop/equal-exchange-fundraising
- http://www.fedcoseeds.com/seeds/seed_school.htm

If possible, arrange on the day of the event to have the local newspaper take a photograph and invite your local TV or radio station. Give the reporter the basics: Our students are learning about co-operative businesses and the seven Co-operative Principles, including “Concern for Community.” The students are working with (NAME) Co-operative to raise money for (PROJECT).
Lesson 4: Big Numbers, Big Impact — Yet in Business Just for You

Unit Objective: Students will gain an appreciation for how much co-operatives contribute to their lives and to the quality of life here in our region and worldwide. They will discover that local co-operatives are ready to meet their needs.

Grades: 9-12

Length: 1 hour: 15 min for introduction of lesson, 30 min for guest presentations, 10 min for questions, and 5 min for thank-you and wrap-up.

Materials: Whiteboard or flipchart, pens and note paper for your students.

Preparation: Invite two and no more than three spokespersons from a local co-op or a co-op association such as the Neighboring Food Co-op Association or the Valley Alliance of Worker Co-ops to explain how their co-operative can provide services for high school students.

Examples of co-ops are included in the presentation text. You may also want to research a few other examples. For a searchable map of co-ops and credit unions in our region, visit http://nfca.coop/co-opeconomy.

Your local food co-op offers healthy foods and other products, and may offer classes on nutrition and the food systems; local credit unions may provide accounts and financial literacy classes for new or young members; a local member of a farmer co-op such as Organic Valley or Cabot Creamery Co-op could talk about their products and young farmers in their co-op; a local worker co-op may provide products, services or job opportunities of interest to young people; an energy co-op may be available to talk about sustainable energy. All of these (and others) may offer scholarships, internships, or summer or part-time employment. Make sure you arrange chairs in a classroom style, with space at front for each speaker. Seat your speakers at reserved chairs in the front row.

NOTE: This activity will be more effective for larger groups of students, especially as it will also provide a larger audience for speakers. If you have just two or three students this lesson may not make a good impression on the guest speakers.

Background:

In the United States alone, there are nearly 30,000 co-operative enterprises in operation. These businesses represent total assets of $3.1 trillion and they earn $154 billion in annual income. Together, these co-ops generate more than 856,000 jobs and pay $25 billion in wages annually. Some co-ops may be small in size, yet their overall impact is profound here in America and worldwide. And, they often are essential businesses serving members who otherwise would have few, if any, options for certain services. In fact, the United Nations has declared 2012 the International Year of Co-ops, offering a unique opportunity to tell the co-op story and encourage young people to be involved.

Teaching Strategy:

1. People who share a common vision, goal or need for a service or product can use the co-operative business model. Why a co-op? Possibly because no other business wants to meet that need. Or, because existing

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 82
2. Co-operatives can be any size. Some co-ops employ just a few people and serve a few dozen members. Other co-operatives have thousands of employees and serve tens of thousands of members. Yet, taken together, co-ops have a profound impact in our communities and around the world. For example, around the world about a billion people are members of co-ops — more than directly own stock in publicly traded corporations. And co-ops employ more than 100 million people — more than multinational corporations.

3. This is why the United Nations declared 2012 the International Year of Co-ops — to recognize the contribution of co-ops to social and economic development, poverty reduction, food security and employment. The theme of the year is “Co-operative Enterprise Build a Better World,” and the UN is working to raise public awareness of co-ops, to promote their growth, and encourage government policies that support co-operative development. The Year also highlights the strengths of the co-operative business model as an alternative means of doing business and furthering social and economic development.

4. Some of the most common kinds of co-ops in our region are: farmer co-ops, fishery co-ops, food co-ops, worker co-ops, credit unions and energy co-ops. (On your white board or flipchart, list these out with space next to them or under them to write in examples later.)

5. **Farmer co-ops** are a success story in American agriculture, and one of the largest co-ops in the United States is CHS. Headquartered in St. Paul, MN, CHS is a Fortune 500 Company providing employment for nearly 9,000 people. In all, there are 3,200 agricultural co-operatives with a combined membership of 3 million and annual business volume of $103 billion. Do you know of any examples? (Give the class a chance to respond, writing any farmer co-ops mentioned under the correct heading on the board or flipchart. Then write a few examples from the list below.) New England is home to successful regional co-ops such as Cabot (a brand of the Agri-Mark co-op), produce co-ops such as Deep Root Organic Co-op, and members of national co-ops such as Organic Valley. There are also farm supply co-ops such as the Greenfield Farmers Co-operative Exchange in Massachusetts, founded in 1916.

6. You can find the products of these farmer co-ops at many of the **food co-ops** across our region. Do you know of any examples? (Give the class a chance to respond, writing any food co-ops mentioned under the correct heading on the board or flipchart. Then write a few examples from the list below.) The Neighboring Food Co-op Association is made up of over 25 food co-ops with over 90,000 individual members. Most of these co-ops were founded in the 1970s when people were interested in providing themselves with healthy, organic food. Others, such as Putney Food Co-op in Vermont, and the Co-op Food Stores in New Hampshire were founded in the 30s and 40s. Today, a new wave of start-up food co-ops is emerging in our region, focused on community ownership and building stronger local and regional economies.

7. On the shelves of many of these food co-ops, you can also find products from **worker co-ops**. Do you know of any examples? (Give the class a chance to respond, writing any worker co-ops mentioned under the correct heading on the board or flipchart. Then write a few examples from the list below.) For example, Equal Exchange is a worker co-op that markets coffee, tea, chocolate and other products produced by farmer co-ops. Alvarado Street Bakery produces bread and bagels. The Valley Alliance of Worker Co-ops in western Massachusetts and southern Vermont includes worker co-ops involved in everything from printing (Collective Copies) to web hosting (Gaia Host), to holistic health care (Brattleboro Holistic Health Center), bicycle transportation (Pedal People) to auto repair (Pelham Auto), local food delivery (Valley Green Feast) to alternative energy systems (Pioneer Valley PhotoVoltaics).

8. **Credit unions** are also co-ops — member-owned financial institutions that provide checking, savings and lending services. Do you know of any examples? (Give the class a chance to respond, writing any credit unions mentioned under the correct heading on the board or flipchart. Then write a few examples from the list below.)

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 83
few examples from the list below.) In the U.S. credit unions have over 80 million members and assets in excess of $100 billion.

9. Millions of people across the U.S. use energy co-ops to provide themselves with electricity and other services. Rural electric co-ops provide electricity for more than 26 million Americans and operate over half of all electric transmission lines in the U.S. While rural electric co-ops are more common in other parts of the country, here in New England there are three rural electric co-ops: Washington Electric Co-op, Vermont Electric Co-op and the New Hampshire Electric Co-op. More common are smaller co-ops that provide people with heating oil or access to alternative energy systems, such as Acorn Energy Co-op and Co-op Power.

10. These are just a few examples of the types of business that can be organized co-operatively. And all of these enterprises help people to meet their needs using the same basic business model – one that is member owned, member governed and that puts people before profit. Co-ops are guided by a shared set of principles and values, and one of every three Americans (100 million) is a member of one or more of the 30,000 co-operatives operating in the U.S. In the United States alone, co-ops represent total assets of $3.1 trillion and earn $154 billion in annual income. Together, these co-ops generate more than 856,000 jobs and pay $25 billion in wages annually. Co-operatives not only are big businesses, but in many small communities, co-ops are the only type of businesses providing goods and services. One reason for this is that co-operatives are not solely motivated by profits of a few investors. Another reason is that the co-ops are owned and governed by their members in the local community. Though co-ops may become larger by merging with other co-ops, they do not move from town to town selectively looking for the most profitable business opportunities as some other businesses do. (Refer to the “Resources” section of this curriculum for a fact sheet on co-ops in the U.S.)

11. Co-operative enterprises are vitally important to communities around the world, which is why the United Nations has set aside 2012 to promote co-ops. Here in our region, co-operatives strengthen local economies, provide sustainable jobs and contribute to our quality of life. They are providing products, services and jobs that otherwise might not exist. And they are innovating in the economy in new ways. Your parents may be members of a co-op. Can you think of co-operatives that you use? Can you become a member of a co-operative at your age? Use these questions to generate discussion on this topic. The Farmers Union supports educational programs, and it is an advocate for co-operative businesses. And in New England, the Farmers Union is working with co-operative organizations such as the Neighboring Food Co-op Association to share the co-op business model with more people.

12. Now we’re going to hear from our guests about their co-ops and what they do to help build a better world. Introduce your first speaker. You will need to have prepared the introduction in advance. The introductions for all of your speakers should begin with their name, title, and job duties, along with their co-operative and a brief description of the co-op’s purpose and service area. Provide each speaker up to 10 minutes for a presentation and subsequent question and answer period. At the conclusion, thank your speaker and lead the applause.

13. Introduce your second speaker. At the conclusion, thank your speaker and lead the applause.

14. Introduce your third speaker. Following the question and answer period, thank the speaker. Ask your students to recognize all three speakers with applause one more time.

15. Not everyone knows why being a member of a co-operative has value. Break into groups of three to discuss this. Ask your students to brainstorm together and then write down three one-sentence messages that could be used as a radio ad or in a television commercial to promote co-op membership.

16. On the whiteboard or flipchart, write down all the examples provided by each group. If you are given similar examples, group them together. Beginning with “A” and continuing alphabetically, place a letter in front of each example. Pass out slips of paper and ask your students to choose in order their favorite top three messages. Collect the ballots and mark

"Co-operatives: The Business of Teamwork" ~ National Farmers Union Curriculum ~ p. 84
the votes cast for each example. In this way you will co-operatively choose the top three recommendations.

17. As a group, you will produce a YouTube video that can be posted on the New England Farmers Union website. This could be as simple as making a video recording of your group or as elaborate as writing out a storyboard of each scene and obtaining video of the exteriors of area co-operatives (obtain permission before you do this). Clever and creative productions will generate more views. The most basic production to set up will be to assign three students to stand in the foreground and have each one state one of the agreed-on messages and then have the entire group say, “Co-ops: the business of teamwork,” or “Co-ops Build a Better World” — the theme of the International Year of Co-ops. Think of what you want the audience to do with your message. You may want to incorporate your guest speakers in this production.

18. Some of your students may have experience in YouTube productions. Let them share their expertise and ideas.

19. Here are a few tips about YouTube videos. You can use a digital camera, webcam, or cell phone to record the image. An old VHS will only work if you transfer it to a digital file. You can upload a YouTube movie directly from a phone if you set up a Mobile Profile in YouTube. With a high speed connection, it should generally take a few minutes. If you want to edit your movie and add titles use programs such as Mac’s iMovie or Windows Movie Maker. Resize the video so it looks best in YouTube. The site accepts QuickTime .MOV, Windows .AVI, or .MPG files at 340x240 resolution. Create a title, description, tags, category, and set language.

20. When the file is ready, post it to YouTube in collaboration with the New England Farmers Union. Talk to their education director first to determine the best way to do this. The Neighboring Food Co-op Association and other co-operatives may also want to post a link to the video on their websites or in contests such as “My Co-op Rocks!” (www.mycooprocks.coop).

Sources: KnowledgeStorehouse, North Dakota State University’s Burdick Center for Co-operatives, KinderArt, eHow, Neighboring Food Co-op Association.
Optional Activities

The following activities could be incorporated at the end of any lesson to fill extra time.

1. Ask your local food co-op to donate a bag with a few non-perishable products, preferably from co-op suppliers (for a list, visit http://nfca.coop/co-opproducts). If the co-op has bags with its logo or the logo of its co-operative association, great. Use these items to make a display for your local library, school or community center during October (National Co-op Month) or at a community fair. This display will showcase the items and services available from local or regional co-operatives. Include a small poster of the Seven Co-op Principles, profiles of a few co-ops in your region, and perhaps a map of co-ops and perhaps co-op members, in the case of farmer co-ops.

2. Prepare name tags for your students that include the New England Farmers Union name or logo (if your budget allows, t-shirts will work even better). Invite your students to deliver coffee and cookies or cake to employees of the local co-op as a thank you for what they do; alternatively, arrange for the students to set up a table and serve coffee and cake or cookies to co-op members during an open house. This activity will require additional coordination with your local co-op.

Photo by Neighboring Food Co-op Association
“Co-operatives: The Business of Teamwork”

Section 5: Collegiate and Adults

Contents:

Lesson 1: The History of Co-operatives ~ 1 hour
Lesson 2: How to Read an Annual Report ~ 1 hour
Lesson 3: Who Put You in Charge ~ 1 hour
Lesson 4: Co-ops Count ~ 1 hour

For more information contact:

National Farmers Union
mmiller@nfudc.org
202-554-1600
www.nfu.org

Neighboring Food Co-op Association
info@nfca.coop
www.nfca.coop

New England Farmers Union
info@newenglandfarmersunion.org
413-625-3051
www.newenglandfarmersunion.org

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Lesson 1: A Brief History of Co-operative Enterprise

Unit Objective: The co-operative business structure has stood the test of time. Co-ops embrace business principles that have been in use for nearly 170 years. Students will gain an understanding of the history, principles, and international scope of co-operative businesses.

Grades: Collegiate and Adult

Length: 1 hour: 30 minutes for lecture, 20 minutes for the guest speaker, and 10 minutes for the fill-in-the-blank handout.

Materials Needed: Whiteboard or flipchart, pencils or pens, and the “Co-operatives Provide the Answers” worksheet for each student.

Preparation: Invite a manager or director of a well-established co-operative to speak to your group. Explain to this person that you are teaching a class on co-ops and you would like him or her to recall the history of his or her co-op: when and why it was established, how it has changed since it was started, and why it is important to the current members.

Background: Around the world, co-operatives are integral to the economic vitality and resilience of many communities. Co-operatives have been around for hundreds of years, yet early co-ops struggled to create a business model that could succeed. A key advancement was the principles set out by the Rochdale Society of Equitable Pioneers in England in 1844. In many regions of the United States, co-ops grew dramatically because of the early organizational support of farm organizations such as the Farmers Union and the Grange. In other places, labor unions and fraternal organizations established co-ops and credit unions to improve the lives of working people. More recently, people have been starting co-ops to increase their access to healthy, local food, to strengthen the local economy, and to provide services such as housing, energy and health care. Wherever they are found, co-ops are an effective business model enabling people to provide themselves with products, services and employment.

NOTE: Although this lesson employs handouts, it uses a lecture-intensive, classroom style. You have the option of using one of the lessons from grades 9-12 if you believe it is more appropriate for your audience.

Teaching Strategy:

1. Since the earliest days of human society, people have depended on cooperation to survive. Can you think of examples of cooperation in your families, church, or communities? Write down on a white board or flipchart the answers they share with you. In rural America, threshing bees and barn raisings were among the earliest forms of organized co-operation. Farmers take pride in being independent, yet they knew they had to work together to accomplish things they could not do alone. Refer to the examples of cooperation that you just wrote down. Engage your students in why it was necessary to work with others for the common good. If you have not been given effective examples, talk about how individuals have voluntarily worked together during floods or other natural disasters. For example, in times of disaster such as floods, people work together to protect their communities, filling sandbags, donating food, opening their homes and sometimes their schools to accommodate people displaced by floodwaters. No one person could prepare and place enough sandbags in time to protect an entire town. When people work together for their common good, we call it “cooperation.” Communities, schools, churches,
governments, and civilization itself could only be accomplished through working together.

2. A co-operative is a formal way of working together: a business in which people make decisions together democratically, and share equitably in the benefits of collaboration. The first formally organized co-operative may have been the Shore Porters Society of Aberdeen, Scotland who in 1498 organized a business to haul and store cargo from boats. In 1752, Ben Franklin organized the first formal co-operative in America, a mutual fire insurance company that remains in business today.

3. As early as 1810, farmers in America formed dairy and cheese co-operatives. Many of these were local and often short-lived. The concept of working together was obvious. But a successful business model had not yet been figured out. This was equally true in other countries. Some co-operative ventures struggled while others survived and thrived.

4. Still, the urge to work together was driven by real needs, and cooperation was a logical solution to the challenges people faced. Organized co-ops put down roots all across the world, and especially in Europe during the Industrial Revolution. People of limited means found they could have more control over their lives and the food they ate by making group purchases of basic necessities. One of these early co-ops became the cornerstone of the modern co-operative movement because of the success of its operating principles. In 1844, 28 weavers contributed one pound each (about $110) to form a co-operative store in the community of Rochdale, in the north of England. The Rochdale Principles defined how a co-operative works, from democratic control through each member having one vote to voluntary and open membership. Small co-operative businesses sprang up across Europe using these principles.

5. The momentum was so strong that in 1895 the International Co-operative Alliance (ICA) was formed to promote co-operative enterprise on a global level. Co-ops began springing up around the world in all aspects of the economy, from farmer co-ops to food co-ops, worker co-ops to credit unions, housing co-ops to insurance co-ops. And the ICA became the stewards of the co-operative identity, including updating and promotion of the co-operative principles and values.

6. At the same time, farmers in America were forming buying clubs. Shortly after the Civil War, the Grange was formed to improve conditions for farmers. As a farm organization, the Grange promoted co-operation as a way to reduce the cost of inputs and equipment. The Grange in 1875 embraced the Rochdale Principles as a sound business approach, and co-ops began to flourish. Other farm organizations that supported co-operatives included the Farmers’ Alliance in the Midwest, and the Society of Equity, which later merged with Farmers Union. Farm buying clubs were a way for local farmers to pool a purchase of farm goods such as twine in bulk and sharing the savings that came from volume purchasing and shipping. However, many of these co-ops eventually failed because of limited resources and changes in the economy.

7. In 1902, the Farmers Union was organized in Texas. As with previous farm organizations, the Farmers Union wanted to improve economic conditions for farmers, ranchers and rural communities. The Farmers Union also promoted farmer-owned co-operatives. This time, the co-operative movement took root for good. The example of farmers joining together to buy a large amount of twine represents a type of buying co-operative, although not actually structured as a business. In time, some of these informal arrangements led to actual formation of purchasing co-operatives. Dairy farmers, grain farmers, and livestock producers also found ways to work together to process, market and sell their milk, crops, and meat directly to consumers by forming co-operatives. And across America, people used the co-operative model to provide themselves with energy through rural electric co-operatives, and financial services through credit unions, which are also co-operatives.

8. In large part, the co-operative movement was how farmers sought to level the economic playing field that they believed favored large corporations at the expense of the family farmer. Numerous Farmers Union co-operatives were formed in the 1920s, 30s and into the 40s. By working together to form co-operatives, farmers were taking business matters into their own hands. And many of these co-ops eventually became significant businesses. For example, the Farmers Union Terminal Association, a regional grain marketing co-operative, was formed in 1926. A year later the Farmers Union Central Exchange, a regional supply co-operative, was established. Locally-owned Farmers Union co-operatives would pool their orders for twine, salt, etc.
coffee, and petroleum. The Central Exchange would contract for these items in bulk and supply them to the local co-ops. The savings were significant. More importantly, the savings directly benefited the farmers and ranchers. The Central Exchange in the 1970s changed its name to Cenex. The Terminal Association became Harvest States. These two co-operatives, which share common history, service areas, and members, merged in 1998 to become CHS, Inc., a Fortune 100 company.

9. The Farmers Union also worked with Congress to develop the Capper-Volstead Act of 1922 that exempted co-operatives from antitrust laws. The law allowed farmers to market their crops co-operatively, providing they did not engage in activities that would be viewed as a restraint of trade. Capper-Volstead continues to be the basis for the formation of farmer co-ops in our region such as Cabot Creamery Co-op and Organic Valley.

10. During the 1930s, several key legislative actions were taken to further the development of co-operative ventures. The Farm Credit Act of 1933 and Rural Electrification Act of 1936 helped organize and capitalize co-operatives. The Farmers Union had an active role in securing these Congressional actions. At that time utility companies were reluctant to serve rural areas, deeming them unprofitable or economically marginal. In order to secure services, rural electric and rural telephone co-operatives were formed to meet a need being ignored by established for-profit companies. Here in New England, the rural electric co-ops in Vermont such as the Washington Electric Co-op and the Vermont Electric Co-op, and the New Hampshire Electric Co-op continue to build on this legacy, serving communities through member owned utilities.

11. Farmers Union members were co-op builders, investing scarce cash and pure faith to begin credit unions, oil and elevator co-ops, rural electrics, and regional co-ops. U.S. co-ops took root across America’s heartland and in difficult economic times thanks to the determination of farm organizations, notably, the Farmers Union. The success of these co-operatives is evident in that so many are patronized by third-, fourth-, and even fifth-generation farm and ranch families.

12. In addition to successful agricultural co-ops, co-op operate across the New England economy. From farmer co-ops to food co-ops, worker co-ops to credit unions, and housing co-ops to artisan co-ops, co-operative enterprise enables people to meet their needs and aspirations together.

13. And today, we’re going to hear about a local co-op and the difference it makes in our community. Invite your speaker to the front of the room. Introduce him or her by name, job title, and a brief description of the co-op’s purpose. Assist the speaker should he or she have handouts or other materials. At the conclusion of the speaker’s comments, encourage your students to ask questions about the co-op. Questions may include the following. “Do you have members whose parents, grandparents, or great-grandparents were actively involved in starting the co-op?” “Do you think your members understand co-operative businesses as well as the members who first belonged to the co-op?” “Would it be easy or difficult if you had to begin this co-op from scratch?” At the conclusion, thank your speaker for sharing his or her observations and lead the applause.

14. Conclude the discussion by asking your students to name three benefits the local co-op provides to themselves or their community. Write down the responses on the whiteboard or flip chart. Use these responses to recap the historic and current value of one (or more) of the local co-operatives that has roots in your area.

Sources: National Farmers Union; United States Department of Agriculture; the University of Wisconsin’s Center for Co-operatives; the National Co-operative Business Association; Economic Democracy for the Northern Plains by North Dakota Farmers Union; Neighboring Food Co-op Association.
Co-operatives Provide the Answers
All you have to do is fill in the blanks

When people work together for their common good we call it ________________.

In 1844, an English co-op established what became known as the ________________ Principles.

Founded in 1895, the ________________ brings co-ops together worldwide.

_____________ ________________ in 1752 began the first co-operative in America.

The Farmers Union Terminal Association and Central Exchange merged to become ____________.

Common types of co-ops in New England are ____________, ____________, and ____________.

The ___________ - ___________ Act in 1922 exempted co-ops from anti-trust laws.

Farm organizations, especially the ___________ ___________ helped start many agricultural co-ops.

Our speaker said their local co-op was formed in ________ (year).

The mission or purpose of this co-ops is ____________________________________________________________________.

I am a member of the following co-ops:

_______________________  _______________________  _______________________

My parents or grandparents are/were members of the following co-ops:

_______________________  _______________________  _______________________

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 91
Co-operatives Provide the Answers

All you have to do is fill in the blanks

ANSWER PAGE

When people work together for their common good we call it cooperation.

In 1844, an English co-op established what became known as the Rochdale Principles.

Founded in 1895, the International Co-operative Alliance brings co-ops together worldwide.

Benjamin Franklin in 1752 began the first co-operative in America.

The Farmers Union Terminal Association and Central Exchange merged to become Cenex.

Common types of co-ops in New England are... Answers could include Farmer Co-ops, Food Co-ops, Credit Unions, Worker Co-ops, Housing Co-ops, Energy Co-ops, etc.

The Capper-Volstead Act in 1922 exempted co-ops from anti-trust laws.

Farm organizations, especially the Farmers Union helped start many agricultural co-ops in the US.

Our speaker said their local co-op was formed in ________ (year).

The mission or purpose of this co-ops is ________________________________________________ .

I am a member of the following co-ops:

____________________________________  ________________________________________

My parents or grandparents are/were members of the following co-ops:

____________________________________  ________________________________________

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 92
Lesson 2: Reading an Annual Report

Unit Objective: Many members of co-operatives attend the annual meeting, and many members wonder what all those numbers mean in the audit. This session will look at an annual report and highlight some of the key line item numbers.

Grades: Collegiate and Adult

Length: 1 hour: 45 minutes to review the annual report; 15 minutes for the guest speaker.

Materials Needed: Whiteboard or flip chart, copies of the Annual Report for “Farmers Union Oil Company of Anytown” (included in this section) or the Annual Report of a local co-op.

Preparation: Print enough copies of the Annual Report for your students. In advance, you may want to invite a manager or director from a local co-operative to discuss what to look for when reading an annual report.

Background:
Co-operatives encourage their members to know more about the business operations. Among the best tools co-operatives have to educate their members are the printed annual reports that often are handed out at the annual meetings. However, annual reports can be bewildering to people who are not well-versed in financial audits. By studying a fictitious annual report (based on one issued by an actual supply co-op,) your students will become more comfortable in interpreting key financial numbers.

Teaching Strategy:

1. Ask your students if they have attended an annual meeting of any co-operative to which they belong. Select a few of those who raised their hands, and ask each of them if they understood the annual report. Listen to their responses. What do you most want to know from a financial report of a co-operative? Write down their responses.

2. Co-operative businesses are not operated to lose money. Nor are they operated to make money for members. They are designed to benefit their members and the wider community, providing goods and services, employment and economic infrastructure. Co-operatives deliver benefits directly to their members, who also may be known as patrons, members, or users.

3. Co-operatives use an annual financial audit to determine the success of the business operation. While there are many numbers in an audit, a few warrant more attention than others. Note that the audit compares the current year to the previous year. This allows a relative gauge of performance by line item. The key word is relative. For example, an exceptionally wet or dry growing season may result in lower sales of agronomy services in a farmer co-op. This should not be interpreted as a failure on the part of the co-op.

4. The balance sheet for this audit shows the co-op’s total assets have increased. Assets represent the co-op’s property that has value to secure its debts. In general, an increase in assets indicates growth. Assets will depreciate — that is, they wear out and will need to be replaced. The audit shows the financial value of depreciation of the co-op’s assets.

5. The statement of operations highlights the annual sales and the cost of sales for the year. Annual sales are total receipts from products and services. The cost of sales is just that: what it cost the co-operative to bny products, pay employee salaries, maintain buildings, operate delivery trucks, and all the other expenses of running a business. The difference between the sales and cost of sales is the gross margin. Think of this as gross profit or surplus. A healthy business will have annual sales in excess of the cost of sales. Some audit categories will show numbers within parentheses, which represents a loss, or negative value.

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 93
6. **The bottom line is the local net savings** (or loss), which equates to the net profit (or lack thereof). Remember, the co-op is not in business to generate huge margins. It is, however, in business to cover its expenses and provide money for growth, replacement of equipment, and operating capital. Local co-ops may themselves be members of regional co-operatives. The regional co-ops will return their net savings to the locals. This will be listed as **patronage received**. In turn, these savings are added to the local savings to create total net savings.

7. By law, co-operatives must return at least 20 percent of the net savings in cash dividends or refunds to members. The balance of the net savings may be retained as working capital, depending on each co-op’s policies as set by the board of directors. Again, depending on the co-op’s policies, this retained stock will be retired, that is, paid back to members, based on the age of a member, the specific year in which the money was retained, and, in some cases, to the member’s estate. It is not uncommon for some locally-owned agricultural supply co-ops to retire stock and return patronage refunds to members in excess of $1 million annually. This money is directly returned to the local economy, unlike an investor-owned corporation that may “siphon off” the profits for owners who live far removed from the state.

8. It has been said by some that co-operatives do not pay taxes. This is not true. For one, co-operatives pay property taxes, sales taxes, register vehicles, and pay for permits. Money returned to members is subject to income tax, meaning the income generates tax revenue.

9. Audit presentations at annual meetings may include pie charts that help explain the different operating departments that provide income (such as agronomy, fuel, fertilizer, hardware), and what accounts for a co-op’s cost of sales (such as payroll, utilities, and insurance). Other information will range from long-term debt to accounts receivable. Remember to adapt this information to your particular co-op, whether a food co-op, farmer co-op, worker co-op, credit union, etc.

10. Audits presented at annual meetings usually are accompanied by comments from the manager, president of the board, and department heads. Such reports will outline current challenges, potential opportunities, and other issues affecting the co-op’s current operations and future goals.

11. As a member of the co-operative, you also have the right to vote on candidates for the board of directors. Depending on your co-op’s policies, the board may choose the president, vice president, secretary, and treasurer (the latter two often being combined) among themselves or these may be offices chosen by the members. As long as you are a voting member of the co-op, you may be qualified to run for the board.

12. It is also your right as a member of the co-op to ask questions of the auditor or the manager. You may be asked to vote on proposals, by-laws changes, or take other actions at the annual meeting. Encouraging members to be involved in the co-op is one of the key business principles that makes co-operatives unique.

13. If you have invited a co-op manager or director to speak to your group, introduce him or her by name, job title, and offer a brief description of the co-op’s operations.

---

**Source:** USDA, National Cooperative Business Association, KnowledgeStorehouse

"Co-operatives: The Business of Teamwork" ~ National Farmers Union Curriculum ~ p. 94
ANNUAL STATEMENT
FARMERS UNION OIL COMPANY
OF ANYTOWN
Anytown, North Dakota
Years ended December 31, 2005 and 2004

OFFICERS AND DIRECTORS
Mr. President
Mr. Vice President
Mr. Secretary-Treasurer
Mr. Director 1
Mr. Director 2

* * * * *
Prepared From Audit Report of
JOHNSON & ASSOCIATES, P.L.C.
New York, New York
### BALANCE SHEETS
December 31, 2005 and 2004

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 277,230</td>
<td>$ 299,173</td>
</tr>
<tr>
<td>Marketable Securities</td>
<td>99,549</td>
<td>42,003</td>
</tr>
<tr>
<td>Accounts Receivable, Less Allowance for Doubtful Accounts of $2,500 and $2,500</td>
<td>590,811</td>
<td>506,225</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>56,726</td>
<td>50,638</td>
</tr>
<tr>
<td>Inventories</td>
<td>969,431</td>
<td>946,300</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>72,224</td>
<td>64,788</td>
</tr>
<tr>
<td>Deferred Tax Asset</td>
<td>5,970</td>
<td>4,998</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,071,941</td>
<td>1,914,125</td>
</tr>
<tr>
<td><strong>INVESTMENTS AND OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in Cooperatives</td>
<td>2,406,399</td>
<td>2,412,506</td>
</tr>
<tr>
<td>Other Investments</td>
<td>13,260</td>
<td>13,260</td>
</tr>
<tr>
<td><strong>2,419,659</strong></td>
<td>2,425,766</td>
<td></td>
</tr>
<tr>
<td><strong>PROPERTY PLANT AND EQUIPMENT, At Cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>1,967,398</td>
<td>1,834,203</td>
</tr>
<tr>
<td>Book Value</td>
<td>602,449</td>
<td>488,064</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$5,094,049</td>
<td>$4,827,955</td>
</tr>
</tbody>
</table>

#### LIABILITIES AND PATRONS’ EQUITIES:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note Payable</td>
<td>$ 500,000</td>
<td>$ 600,000</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>404,473</td>
<td>356,769</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>71,354</td>
<td>54,719</td>
</tr>
<tr>
<td>Patrons’ Credit Balances</td>
<td>299,655</td>
<td>349,732</td>
</tr>
<tr>
<td>Patronage Refunds Payable in Cash</td>
<td>77,262</td>
<td>-</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>23,666</td>
<td>-</td>
</tr>
<tr>
<td>Current Portion of Long-Term Debt</td>
<td>1,963</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>1,378,373</td>
<td>1,361,220</td>
</tr>
<tr>
<td><strong>LONG-TERM DEBT</strong></td>
<td>55,743</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,434,116</td>
<td>1,361,220</td>
</tr>
</tbody>
</table>

#### PATRONS’ EQUITIES:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Stock and Stock Credits</td>
<td>2,543,014</td>
<td>2,598,698</td>
</tr>
<tr>
<td>Patronage Refunds for Reinvestment</td>
<td>180,278</td>
<td>-</td>
</tr>
<tr>
<td>Unrealized Gain (Loss) on Marketable Securities</td>
<td>(3,363)</td>
<td>594</td>
</tr>
<tr>
<td>Unallocated Capital Reserve</td>
<td>940,004</td>
<td>867,443</td>
</tr>
<tr>
<td><strong>Total Patrons' Equities</strong></td>
<td>3,659,933</td>
<td>3,466,735</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND PATRONS’ EQUITIES** $5,094,049 $4,827,955

(THES ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.)
## STATEMENT OF OPERATIONS

Fiscal Years Ended December 31, 2005 and 2004

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Cost of Sales</th>
<th>Gross Margin</th>
<th>Expenses:</th>
<th>Local Net Savings (Loss)</th>
<th>Patronage Received</th>
<th>Savings Before Taxes</th>
<th>Income Taxes</th>
<th>Net Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$12,436,873</td>
<td>10,621,996</td>
<td>1,814,877</td>
<td></td>
<td>54,325</td>
<td>90,789</td>
<td>36,464</td>
<td></td>
<td>$36,464</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$14,985,495</td>
<td>$12,436,873</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>12,854,836</td>
<td>10,621,996</td>
<td>85.78%</td>
<td>85.41%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>2,130,659</td>
<td>1,814,877</td>
<td>14.22%</td>
<td>14.59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Expenses:**

### Distribution:
- Salaries: 957,301 / 901,280
- Payroll Taxes: 84,756 / 80,557
- Employee Insurance: 104,579 / 101,212
- Employee Pension: 23,686 / 20,436
- Delivery Expense: 173,416 / 135,000
- Advertising and Promotion: 48,958 / 47,275

### General:
- Depreciation: 133,195 / 125,338
- Insurance: 93,496 / 86,895
- Property and Business Taxes: 15,996 / 16,849
- Rent: 16,384 / 16,208
- Supplies and Repairs: 114,501 / 112,581
- Utilities: 81,009 / 72,452

### Administrative:
- Professional Services: 10,626 / 18,662
- Bad Debts and Collection: 5,798 / 25,958
- Data Processing: 3,696 / 5,581
- Directors’ Fees and Expenses: 2,871 / 3,991
- Educational Expense: 9,457 / -
- Meetings, Schools and Travel: 5,759 / 11,994
- Office Supplies and Expense: 30,921 / 30,314
- Credit Card Fees: 44,827 / 45,136
- Telephone: 26,260 / 24,994

### Interest and Other:
- Interest Expense: 27,825 / 32,800
- Service Charges on Accounts: (52,895) / (48,882)
- Other Expense: 9,654 / 14,274
- Other Revenue: (21,107) / (11,708)

### Total Expense:
- 1,950,969 / 1,869,202

### Local Net Savings (Loss):
- 179,690 / 54,325

### Patronage Received:
- 173,105 / 90,789

### Savings Before Taxes:
- 352,795 / 36,464

### Income Taxes:
- (22,694) / -

### Net Savings:
- $330,101 / $36,464

*(The accompanying notes are an integral part of the financial statements.)*
### STATEMENTS OF PATRONS' EQUITIES

**Fiscal Years Ended December 31, 2005 and 2004**

<table>
<thead>
<tr>
<th></th>
<th>Capital Stock and Stock Credits</th>
<th>Patronage Refunds for Reinvestment</th>
<th>Unrealized Gain (Loss) on Marketable Securities</th>
<th>Unallocated Capital Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12-31-2003 Balances</strong></td>
<td>$2,666,914</td>
<td>$</td>
<td>$</td>
<td>$830,979</td>
<td>$3,497,893</td>
</tr>
<tr>
<td>Changes in Unrealized Gain (Loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirements</td>
<td>(68,216)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Savings for 12-31-2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12-31-2004 Balances</strong></td>
<td>2,598,698</td>
<td>-</td>
<td>594</td>
<td>867,443</td>
<td>3,466,735</td>
</tr>
<tr>
<td>Change in Unrealized Gain (Loss)</td>
<td></td>
<td></td>
<td>(3,957)</td>
<td>(3,957)</td>
<td></td>
</tr>
<tr>
<td>Retirements</td>
<td>(55,684)</td>
<td></td>
<td></td>
<td></td>
<td>(55,684)</td>
</tr>
<tr>
<td>Net Savings for 12-31-2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>330,101</td>
</tr>
<tr>
<td>Provision for Cash Refunds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(77,262)</td>
</tr>
<tr>
<td><strong>12-31-2005 Balances</strong></td>
<td>$2,543,014</td>
<td>$180,278</td>
<td>$(3,363)</td>
<td>$940,004</td>
<td>$3,659,933</td>
</tr>
</tbody>
</table>

* 2004 Comprehensive Income - $37,058

** 2005 Comprehensive Income - $326,144

*(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.)*
STATEMENTS OF CASH FLOWS
Fiscal Years Ended December 31, 2005 and 2004

Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Savings</td>
<td>$330,101</td>
<td>$36,454</td>
</tr>
<tr>
<td>Adjustments to Net Savings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>133,195</td>
<td>125,338</td>
</tr>
<tr>
<td>(Gain) Loss on Sale of Property, Plant and Equipment</td>
<td>(3,700)</td>
<td>485</td>
</tr>
<tr>
<td>Patronage Refunds Received as Investments</td>
<td>(120,851)</td>
<td>(63,759)</td>
</tr>
<tr>
<td>(Increase) Decrease in Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(84,586)</td>
<td>(11,885)</td>
</tr>
<tr>
<td>Current Other and Notes Receivables</td>
<td>(6,088)</td>
<td>642</td>
</tr>
<tr>
<td>Inventories</td>
<td>(23,131)</td>
<td>(46,050)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(7,436)</td>
<td>(24,836)</td>
</tr>
<tr>
<td>Deferred Tax Asset</td>
<td>(972)</td>
<td>-</td>
</tr>
</tbody>
</table>

Increase (Decrease) in Liabilities

|                        |         |         |
| Accounts Payable       | 47,704  | 97,942  |
| Accrued Expenses       | 16,635  | 6,455   |
| Patrons' Credit Balances | (50,077)| (2,153)|
| Income Taxes Payable   | 23,666  | -       |

Total Adjustments

|                        |         |         |
| (75,641)               | 82,179  |         |

Net Cash Provided by Operating Activities

|                        | 254,460 | 118,643 |

Cash Flows from Investing Activities:

|                        |         |         |
| Redemption of Investments in Cooperatives | 65,455 | 2,608   |
| Purchase of Property, Plant and Equipment | (247,580) | (73,100)|
| Proceeds from Sale of Equipment            | 3,700   | 45,254  |

Net Cash Used by Investing Activities

|                        | (178,425) | (25,238) |

Cash Flows from Financing Activities:

|                        |         |         |
| Increase (Decrease) in Note Payable        | (100,000) | -       |
| Proceeds from Long-term Borrowing          | 60,641   | -       |
| Payments of Long-Term Debt                 | (2,935)  | -       |
| Retirement of Patrons’ Equities            | (56,684) | (68,216)|

Net Cash Used by Financing Activities

|                        | (97,978) | (68,216)|

Net Increase (Decrease) in Cash and Cash Equivalents

|                        | (21,943) | 25,189  |

Cash and Cash Equivalents at Beginning of Year

|                        | 299,173  | 273,984 |

Cash and Cash Equivalents at End of Year

|                        | $277,230 | $299,173|

Supplementary Disclosures:

|                        |         |         |
| Marketable Securities Issued to Redeem Investments | $61,503 | $41,409 |
| Cash Payments Made During Year For: |         |         |
| Interest                        | $28,223 | $32,667 |
| Income Taxes                     | $ (1,944) | -0- |

(The accompanying notes are an integral part of the financial statements.)
Lesson 3: Who Put You in Charge?

Unit Objective: Students will learn that co-operatives provide members with opportunities to actually be involved in the business due to their ownership structure, principles and values.

Grades: Collegiate and Adult

Length: 1 hour: 20 minutes for the guest speaker, 20 minutes for the Seven Co-op Principles, 20 minutes to develop an eighth principle.

Materials Needed: Copies of the Seven Co-op Principles and writing tablets. You may also want to copy the “Basic Co-op Structure” chart in this section onto a large piece of easel paper.

Preparation: In advance, arrange to have a manager or director of a local co-op to address your group. Call to invite this speaker at least one month in advance. Tell him or her that you are teaching a class on how co-operatives encourage members to take an interest in the business, such as attending annual meetings, running for the board of directors, serving on a committee, or being elected as a delegate to a regional co-operative annual meeting. Ask this person to specifically discuss ways in which members can be involved in the co-op. Make sure your speaker understands you are not seeking a specific candidate for the board.

Background:
The Seven Co-operative Principles are a time-tested set of business rules that govern co-operatives. Because of these principles, members have a voice in shaping the co-op’s priorities. Members can attend the annual meeting, run for the board of directors, and may have other opportunities to be involved. The basic structure of a co-op as a member-owned and governed enterprise means that the business is accountable to the people who use its products or services, or work for the business.

Teaching Strategy:

1. Begin with your guest speaker. Invite him or her to the front of the room. Introduce the speaker by name and job title, and provide a brief description of their co-operative. Be sure to pay attention to the speaker in order to set an example for your students. At the conclusion, allow time for questions. A few questions you or your students may want to ask are as follows. “What does someone have to do if they want to become a director?” “What kind of responsibilities do directors have to the co-op and its members?” “What makes a director good, or bad?” “Does your co-op have policy or other committees for which a member might volunteer?” “Do you send delegates representing the co-op to other types of annual meetings?”

2. Why do co-operatives encourage members to be involved? First of all, it because of their ownership structure. Share the “Basic Co-op Structure” chart or display it on a large piece of easel paper. Co-operatives are member-owned, member-governed businesses that are accountable to their members. The members are the people who use the products or services of the co-op such as a food co-op or farmer co-op (point to the “Consumers or Producers” box on the chart and follow the arrow to the “Members” box), or in the case of a worker co-op the people who are employed by the business. (Point to the “Employees” box on the chart and follow the arrow to the “Members” box). In a multistakeholder co-op, there is a combination of member types, such as consumers and workers. There are also federated co-ops whose members are co-ops. What kind of co-op are we talking about today?
Co-operatives are owned by their members, who may be patrons, customers or employees. The people who use the co-op to obtain a product, service or employment also enjoy the benefits of the enterprise. Think of it this way: the user is the owner, the user controls the co-op, and the user derives the benefit. Do you think big businesses have a deep interest in your hometown? Do you believe a locally-owned business will have more reason to support your hometown? What about a business that is locally-owned by its members – the people who shop or work there, or who use the business’ services?

Co-ops are also different because they embrace a specific business philosophy. Hand out the Seven Co-op Principles. Co-operatives operate much like any business. They hire employees, sell products or services to customers, and earn a profit (often listed as “surplus” or “net savings” in a co-op annual report). One key difference is this profit is returned to members or reinvested in their business to serve the community better.

Once your students have read the principles, ask them the following questions. Use these questions as the basis for engaging them in discussion on the principles. Which one of these principles stands out when you think of how most businesses operate?

The first principle is Voluntary and Open Membership. Co-operatives are member organizations, yet membership is open to everyone without gender, social, racial, political, or religious discrimination. Remember, co-operatives treat everyone equally so it stands to reason they do not limit membership for any reason.

The second principle is Democratic Member Control. This means one member has one vote; it does not matter how much business he or she does at the co-op. No one member can buy additional membership shares or additional votes. Everyone has an equal voice and an equal vote. Co-op members are encouraged to participate in setting policies and priorities. Such involvement often takes place by voting on proposals at the annual meeting. During the year a board of directors elected by members oversees the operations.

The third principle is Member Economic Participation. Simply put, members contribute their capital and do business with their co-op — purchasing products or services, processing and marketing their products, or supplying their labor. Co-operatives are designed to return profits to members or otherwise provide services at the lowest possible cost. Although members have one vote, the profits are returned based on each member’s patronage of the co-op during the year — how much they buy from the co-op, use its services or provide their labor. Co-operatives return some profits in cash, known as a patronage refund, and retain a portion of profits to provide the co-op with working capital.

Autonomy and Independence make up the fourth principle. If a co-op enters into an agreement with other businesses or organizations, it does so on terms that maintain the democratic control of members.

The fifth principle is a commitment to Education, Information, and Training programs for members, managers, employees, and policymakers. Co-ops make a special effort to arrange for ongoing education for each new generation of members. Some co-operatives set aside funds to support Farmers Union’s educational programs for adults and summer camp programs for youth. If one or more local or regional co-ops contributed to these Farmers Union classes, please pause to give them recognition.

The sixth principle is Cooperation among Co-operatives. Wherever and whenever possible, different co-operative businesses look for opportunities to work together and rely on each other for services and goods. Supply, service, and marketing co-ops have built a tradition of supporting America’s overall co-operative business climate.

The seventh principle is also the newest. Concern for Community was added in 1995. Many co-operatives are community-based and locally governed. Through a variety of ways, co-operatives and their employees give back to their hometown communities. Co-operatives invest in the health and vitality of their communities.

For a co-operative to succeed, members need to be committed. For example, members who shop around for the best price or insist the co-op provide a service that has limited or even questionable benefit can erode the
financial strength of the co-op.

14. Break the students into groups of 5-8 people, depending on the overall number of students and available space. If you could add an eighth principle, what would you want it to say? I will give you ten minutes to discuss and propose an Eighth Co-op Principle. Then we will ask each group to read their proposal and tell us why they chose it and how they believe it would strengthen a co-operative business.

Sources: United States Department of Agriculture, KnowledgeStorehouse, Neighboring Food Co-op Association.
Basic Co-op Structure

A “Multistakeholder” Co-op includes multiple member types, such as consumer, producer, employee and/or community members.

“Collectives” flatten these organizational layers, emphasizing consensus and group decision-making.

Erbin Crowell, 2012
The Co-operative Identity

The International Co-operative Alliance (ICA) is a global association of co-ops and co-op support organizations founded in 1895 to advance the co-operative movement worldwide. Today, co-operatives around the world operate according to the Statement on the Co-operative Identity established by the ICA and updated in 1995:

**Definition.** A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

**Values.** Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

**Principles.** The co-operative principles are guidelines by which co-operatives put their values into practice:

1. **Voluntary and Open Membership.** Co-operatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. **Democratic Member Control.** Co-operatives are democratic organizations controlled by their members—those who buy the goods or use the services of the co-operative—who actively participate in setting policies and making decisions.

3. **Members' Economic Participation.** Members contribute equally to, and democratically control, the capital of the co-operative. This benefits members in proportion to the business they conduct with the co-operative rather than on the capital invested.

4. **Autonomy and Independence.** Co-operatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the co-operative’s autonomy.

5. **Education, Training and Information.** Co-operatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operative. Members also inform the general public about the nature and benefits of co-operatives.

6. **Cooperation among Co-ops.** Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. **Concern for Community.** While focusing on member needs, co-operatives work for the sustainable development of communities.

www.ica.coop
Lesson 4: Co-ops Count

Unit Objective: Students will learn that co-operatives provide employment, economic impact, and other benefits to their hometown community.

Grades: Collegiate and Adult

Length: 1 hour: 20 minutes for the opening discussion; 20 minutes to prepare the local co-op tote board; 10 minutes for the presentation; 10 minutes for closing discussion.

Materials Needed: A high-quality foam board at least 24 by 36 inches and preferably larger, stencils for numbers and letters that are at least six inches in size, and black markers.

Preparation: In advance, select a specific local co-op and contact the manager. Tell him or her that you are teaching a class on the value of co-operative businesses. Ask if the co-op has calculated the accumulated total of patronage refunds and stock retirements since it was formed. Ask the manager of this co-op to stop by and accept the tote board toward the end of this session.

Background: In the United States, nearly 30,000 businesses operate as co-operatives. Together, these co-ops generate more than 856,000 jobs and pay $25 billion in wages annually. (For more information, visit http://reic.uwcc.wisc.edu/) What kind of impact do co-operatives have on the local economy? This lesson will deliver the bottom line dollars and cents benefit of one or more local co-operatives.

Teaching Strategy:

1. People who share a common need for a service or product organize co-operative businesses. Why a co-operative? Possibly because no regular business wants to meet that need. Or because the business that is meeting the need is doing so with an inferior product, poor service, or is charging an excessive price. Or because people want to ensure that business in their community is accountable to their needs and goals.

2. Co-operatives can be small, employing just a few people and serving a few dozen members. Other co-operatives have thousands of employees and serve tens of thousands of members.

3. The majority of farmers in the U.S. belong to co-ops. In all, there are 3,200 agricultural co-operatives in this country, with a combined membership of 3 million and annual business volume of $103 billion. Credit unions are financial services co-operatives. In the U.S. credit unions have over 80 million members and assets in excess of $100 billion. Rural electric co-ops provide electricity for more than 26 million Americans and operate over half of all electric transmission lines in the U.S. Co-operative health maintenance organizations provide health care services to more than 1.4 million American families. In all, one of every three Americans (100 million) is a member of one or more of the more than 30,000 co-operatives operating in the U.S.

4. Here in New England, there are an estimated 1,400 co-ops with 5 million members and 22,000 employees. And in the United States, co-ops represent total assets of $3.1 trillion and earn $154 billion in annual income. Together, these co-ops generate more than 856,000 jobs and pay $25 billion in wages annually. In small rural communities, co-operatives often are the only type of businesses providing goods and services. One reason for this is that co-operatives are not solely motivated by profits for investors.

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 105
5. Food co-ops also play a key role in our communities and the economy of our region. For example, the Neighboring Food Co-op Association includes 30 food co-ops in Vermont, New Hampshire, Massachusetts and Connecticut. While some of these co-ops were launched in the 1930s and '40s, many began in the 1970s and '80s. An independent study found that in 2007, when the Association was comprised of 17 co-ops, the association already had a dramatic impact on the regional economy, including $161 million in sales and purchases of more than $33 million in local products, including $10 million in fresh farm products, $18 million in locally-processed foods and $5 million in other products. Taken together, food co-ops in Vermont would be among the top 25 employers in the state.

6. Farmers Union has a long and proud history of being an advocate for co-operatives. Our members helped start hundreds of co-operatives from credit unions to grain elevators. Over the years, these co-operatives have developed their own histories. And, over the years, we sometimes have lost touch with the very co-operatives we helped establish. Today we are going to take steps to recognize the economic and social contributions of a local co-operative.

7. As you know, co-operatives deliver benefits to members. It may be by providing a service that otherwise would not be available. It may be by providing goods at lower costs. It may be by marketing products to obtain higher income for members. A co-operative returns profits to its members. A supply or marketing or service co-operative has to cover the cost of doing business. The cash earned each year is known as the gross margin. After all financial obligations are accounted for, the cash left over – known as the net savings, or profit – is returned to members based on the amount of business they did at the co-op. By law, a co-op must return at least 20 percent of the net savings in the form of cash to members. The balance may be retained as working capital. This capital is credited to the patrons' stock. Co-ops will retire this stock once a year based on policy set by the board. Typically, a co-op will retire stock based on a patron's retirement, age, or, in some cases, to be paid to the patron’s estate.

8. We are going to prepare a tote board that lists (NAME) co-operative's annual and/or accumulated dividends paid back to members in the community. In addition, we will list the annual and/or accumulated stock retirement and the number of hours and dollar value of the services provided to the community. We want this to look professional, so we will use one color and large-format letters and numbers.

9. Using markers and stencils, put the co-op's name at the top of the board. Below, put the words “This Year” and “Cumulative” as sub-headings. Down the left margin, add the words “Patronage Refunds,” “Stock Retirements,” “Volunteer Hours,” “Donations,” “Employees” as appropriate to the example and type of co-op you choose. Work with your local co-op manager to choose which headings are suitable.

10. Under the correct headings (This Year and Accumulative), fill in the amounts provided by the co-op. The amounts, which in some cases will run into the millions of dollars, may astound your students.

11. Make arrangements to present this tote board to the co-op’s manager and ask him or her to display it at the co-op. Allow the manager to make any comments he or she would like to offer.

12. Ideally, your county organization will update it every year with new numbers. This could be done in conjunction with the annual meeting. This also would provide a good opportunity to invite the local newspaper to write a story and take a photo. If you choose to have a permanent tote board made, “New England Farmers Union” should be inscribed at the bottom or etched on a plaque attached to the board.

Sources: KnowledgeStorehouse, Neighboring Food Co-op Association, United States Department of Agriculture

“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 106
Co-operative Enterprise
Building a More Resilient, Self-Sufficient New England

History shows that co-operative enterprise is a powerful means by which people — including farmers and other producers in particular — can further their own well-being in our market economy. As unique business organizations, co-ops comprise an important segment of the American economy and are active across industries. And as member-owned enterprises, co-operatives are rooted in the communities they serve, creating economic infrastructure that reaches across generations. Co-ops are an essential tool in creating a stronger, more resilient regional food system and economy.

What is a Co-op?
Co-operation is as old as human society; people have always worked together to support shared goals and advance the common good. But the modern co-operative emerged in the 1800s as a way for people to work together to achieve shared goals.

As defined by the International Co-operative Alliance, a co-op is an “autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (for more information, see www.ica.coop). Co-operatives are also unique in that they are owned by the people who use their products or services. In contrast to other business models, a co-op is user-owned, user-controlled and user-benefiting. Rather than being based on the maximization of profit for owners or investors, a co-op is focused on meeting member needs and goals.

This basic structure is used across our economy to serve all manner of needs and purposes. In fact, co-ops are all around us, from farmer co-ops such as Organic Valley (a national co-op with more than 175 members in New England) to food co-ops such as the Co-op Food Stores of New Hampshire and Vermont, which is celebrating 75 years of operation in 2011. Credit unions are community financial institutions owned by their members, while worker co-ops enable people to secure employment and more control over their worklife. Housing co-ops provide shelter, while energy co-ops provide heat and light. Co-ops help fishermen secure their livelihoods and enable forest owners to manage their lands more sustainably.

History shows that co-operative enterprise is a powerful means by which people — including farmers and other producers in particular — can further their own well-being in our market economy. As unique business organizations, co-ops comprise an important segment of the American economy and are active across industries. And as member-owned enterprises, co-operatives are rooted in the communities they serve, creating economic infrastructure that reaches across generations. Co-ops are an essential tool in creating a stronger, more resilient regional food system and economy.

Co-ops are also more common than you might think. A majority of our country’s 2 million farmers are members of about 3,000 different farmer co-ops. Food co-ops have been innovators in organic foods, fair trade and relocalization. A recent study by the University of Wisconsin found that there were more than 29,000 co-ops in the United States. And the United Nations recently declared 2012 the International Year of Co-operatives, highlighting the contribution of co-ops to socioeconomic development, poverty reduction and employment generation.

Producer Co-ops
The history of agricultural co-ops in our country reflects the challenges faced by family farmers and their need to work together to compete in the marketplace, secure inputs and develop shared infrastructure. The co-operative model enables farmers to aggregate their products and retain more control as these products move up the chain of processing, marketing and distribution before reaching the consumer. Perhaps most important for family farmers, cooperation enables producers to reach scale without giving up the farm.
In general, agricultural co-ops are organized around four basic principles:
1. Ownership and democratic control by those who use the co-operative's services;
2. Net income is returned to members on the basis of their use of the co-op;
3. Members provide the primary source of financing; and
4. There is a limited return on any external investment.

Agricultural co-ops have generally been organized for the purposes of production, processing, marketing, supply and service. However, many producer co-ops combine some of these functions within one organization. The model has also adapted to new challenges and opportunities, with “multistakeholder” co-ops bringing farmers, consumers and workers together in innovative new businesses.

Co-ops and the Regional Economy
In the wake of the recent recession, interest in the co-op business model has increased dramatically. There is a growing recognition that co-operative enterprises have been remarkably stable in the current economy. Once largely ignored by the mainstream press, co-ops have gained attention recently in the news media and among community development activists and organizations. Across the region there are efforts to establish new businesses oriented toward economic democracy and localization.

In addition to their advantages as member-owned, democratically controlled enterprises, co-ops bring some distinct strengths to movements for local and regional economic development. For example, co-ops:
- Tend to develop local skills and assets rather than import them into the region, creating leadership and professional development opportunities.
- Are able to assemble limited financial resources to create enterprises of scale.
- Are more stable and resilient, and tend to be long-lived, resulting in lasting economic and social infrastructure.
- Are member-owned community economic institutions that are resistant to being bought-out or relocated.
- Create regional efficiencies through the pooling of production, processing, distribution and other economic activities.

As a result of these factors, co-operative enterprise contributes to a more stable regional economy and food system, which includes physical infrastructure, jobs and services.

While NEFU emphasizes the unique benefits that co-operative enterprise offers to farmers, fishermen and other producers, we also recognize the important role of co-ops across the economy. We support the development of co-operative business as a path to a more stable regional economy and food system. This is accomplished through ownership and control that is rooted in our communities, the development of local skills and assets, and a focus on service and meeting member needs.

Co-ops are among the founding members of NEFU and continue to be supporters of our work. Organic Valley’s New England members are also members of NEFU. The Neighboring Food Co-op Association (NFCA), an organization made up of more than 20 food co-ops across western New England, is an affiliate member, and many individual food co-ops are business members. NEFU has joined the NFCA in supporting the United Nations resolution designating 2012 the International Year of Co-operatives.

NEFU’s Policy Priorities
Since its founding in 1902, the National Farmers Union (NFU) has been an advocate of the co-operative model, supporting the development of farm, fishery and forestry co-ops as an effective means to increase producers’ bargaining power in the economy and food system. NEFU also encourages the promotion of co-operative enterprise as a way to secure for our region the infrastructure necessary for production, processing, marketing and distribution of food and other products.

Our policy priorities on co-operative business include:
1. Defense of core federal co-operative statutes such as the Capper-Volstead Act and the Co-operative Marketing Act.
2. Revitalization of USDA co-operative support services.
3. Defense of state co-operative statutes.
4. Protection and promotion of the co-operative identity and the unique nature of co-op enterprise.
5. Advocacy for financing to support co-op development.

In addition to these core policy priorities, NEFU supports co-operative development in our region, including the expansion of agricultural, fishery and food co-ops; the repeal of “block voting” provisions in co-ops that hinder member control; the promotion of co-operative education, especially in colleges and universities; protection of the unique status of credit unions; and cross-sector co-op collaboration in building a stronger, more resilient regional food system and economy.

Co-operatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility.
—U.N. Secretary General Ban Ki-moon

New England Farmers Union
A local voice at the national table

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This resource was developed in partnership with the Neighboring Food Co-op Association, www.nfca.coop.

“Co-operators: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 108
Farmers and Consumers Together

N.E. Farmers Union and the Neighboring Food Co-op Association

BY ERBIN CROWELL

At the annual winter conference of the Vermont Northeast Organic Farming Association earlier this year, author and activist Bill McKibben congratulated those gathered on a cold, windy day in Burlington, VT, for their work in building more sustainable local economies. But he also made an appeal for us to think more broadly in terms of our potential impact on the debate around local economies, sustainable farming, and climate change: “We need you not only out in the field,” he said, “but we need you working politically.”

Our food co-ops have long been leaders in community economics, local food systems, and, as illustrated in the most recent issue of Cooperative Grocer (“Showing the Love to Farms and Producers,” #154, May–June, 2011), developing more collaborative, mutually supporting relationships with local farmers. At the same time, we know that lasting change in the food system will depend on stepping outside of the store and engaging in the public dialog on food, economics, and the government policies that shape agriculture from the national level to our own communities.

On the horizon are two major opportunities for the food co-op community to make our voice heard. How will we take advantage of the opportunity presented by the United Nations and its declaration of 2012 as the International Year of Co-ops to communicate the potential of cooperative enterprise to respond to needs and opportunities across our economy? What are the key opportunities for co-ops and their members to impact debate around the Farm Bill, which will also come up for negotiation next year in an atmosphere of budget cuts and partisan contention? And how can we collaborate with farmers and other producers in this work, amplifying their voices as we strengthen our own?

Farmers and consumers, together

The Neighboring Food Co-op Association (NFCA), a network of more than 20 established and startup food co-ops across Vermont, Massachusetts, New Hampshire, and Connecticut, has gained momentum over the past year, moving beyond dialog and into action around our shared vision of a thriving, regional economy, rooted in a healthy, just, and sustainable food system and a vibrant community of producers. As a growing community of more than 80,000 co-op members, we contribute to this vision every day through our own purchasing decisions and through the long-term relationships that our co-ops build with farmers and producers.

More recently, the NFCA has been working with like-minded organizations to begin to influence government policies that affect agriculture in our region. As part of this effort, we have joined our collective voice with that of producers in our region by becoming an affiliate member of the recently launched New England Farmers Union (NEFU). A regional chapter of the National Farmers Union (NFU), NEFU is a grassroots organization working to protect and enhance the lives and livelihoods of family farmers, fishermen, and foresters.

The NFU is a national association of over 200,000 members—farmers and nonfarmers—founded in 1902 to advance the voice of family farmers in the United States. The organization has a long history of progressive policies for rural communities, and prides itself on its organizational symbol: a triangle with “education” at the base, and “legislation” and “cooperation” on each side.

It is this common bond of cooperation that makes the Farmers Union a unique partner for food co-ops and other cooperatives active in the food system. And in our own region, food co-ops have been instrumental in helping NEFU get off the ground as founding organizational members, joining individual farmers and consumers, producer associations, and cooperative partners such as Organic Valley.

Food system education for food system activism

“Food is a gap in what is being heard at the policy level in Washington,” said Chandler Goule, vice president for government relations at the NFU, referring to New England’s unique perspective and agricultural traditions. “Creating a strong New England Farmers Union can help you get your voice heard.”

Goule was speaking during a three-day tour of Vermont and New Hampshire last August, co-sponsored by the NFCA and attended by more than 100 farmers, food co-op members and staff, activists, and legislators’ representatives. The listening sessions, which focused on federal dairy policy,

What are the key opportunities for co-ops and their members to impact debate around the Farm Bill, which will come up for negotiation next year in an atmosphere of budget cuts and partisan contention?

were hosted by NFCA member co-ops including Brattleboro Food Co-op, Concord Co-op Market, Hanover Food Co-op, Hunger Mountain Co-op, and Littleton Food Co-op. Financial supporters of the tour included farmer co-ops such as Cabot Creamery Co-op and Organic Valley.

The opportunity presented by this kind of dialog across the food system led to an additional tour focused on discussion among farmers and farm advocates, food co-op staff and members, and public health officials on agricultural policy. And as we look toward 2012, NEFU has begun a series of talks on the Farm Bill in collaboration with our food co-ops as partners and hosts and food co-op members as policy advocates.

Education leads to action and, last year, representatives from NFCA member Co-op Food Stores (Hanover Consumer Co-op) traveled on a NFU sponsored “fly-in” to Washington, D.C., lobbying lawmakers on policy issues that are of particular importance to agriculture and rural communities in our region. “While there is much that remains to be done to keep our nation’s family farms, ranches, and small producers from being run over by big business interests, our time among our New England members of Congress left me hopeful and encouraged,” said Rosemary Fifield, director of education and member services at the Co-op Food Stores, reflecting on the trip. “It also reinforced, for me, the importance of making personal contact with our customers.”

A common cooperative bond

NEFU’s mission is complementary to the vision of the NFCA and includes increasing the economic viability of family farms and farming operations, fostering the development of sustainable food production, investing in nutrition education, and increasing connections between farmers and consumers. But there is something else about the perspective and history of the Farmers Union that makes it a unique partner in the food system: “The National Farmers Union has been working for more than 100 years to preserve the cooperative business structure and to provide cooperative support and education,” says NFU President Roger Johnson. “And we will continue to be an advocate for cooperative business.”

In fact, the Farmers Union played a key role in the passage of legislation in the 1920s that protected farmers’ rights to join together through agricultural co-ops and thus increased the bargaining power of producers in the economy and food system. For food co-ops considering how they may collaborate with family farmers seeking to sustain their livelihoods and communities, it is worth noting that a majority of the country’s 2 million farmers are members of about 3,000 agricultural co-ops. Looking toward 2012, this represents an opportunity for enacting the cooperative principle of collaboration among co-ops and for dialogue on a more just, sustainable, and cooperative food system.

As an affiliate member of NEFU, the NFCA and our member food co-ops collaborated in the development of the organization’s first policy statement in December 2010, covering everything from food safety and quality of life to climate change and international trade. Significantly, the policy statement points not only to the important role of co-ops in sustaining the livelihoods of family farmers across generations but also recognizes the “unique role that food co-ops have played in our region in developing markets for organic, fairly traded and locally sourced foods, and partnering with producers to strengthen local communities.”

This statement also provided a common platform for the NFCA, NEFU, and the Valley Alliance of Worker Co-ops to work with allies to successfully challenge controversial “Limited Co-operative Association” legislation that was introduced in the Vermont State Legislature earlier this year. More recently, the NFCA and NEFU have approved resolutions on the United Nations International Year of Co-ops, setting the stage for 2012 and opportunities to “raise the profile of cooperative enterprise, to demonstrate the benefits of co-ops in building local ownership and wealth, and to apply the cooperative model to new challenges and opportunities in our communities.”

Looking forward

“New England Farmers Union is proud of our alliance with NFCA, particularly since both of our organizations are founded on the principle of building collective power to create change,” says NEFU Executive Director Winston Pitzoff. “As we look toward 2012, we are already working together to mobilize farmers and consumers around the Farm Bill and the Year of Co-ops, and we are looking forward to working together closely as we educate and advocate for federal policy that supports New England farmers.”

As an association of food co-ops with a combined membership of more than 30,000 people who care about food and farming, the NFCA can be a powerful voice for change in our region. And by joining together, consumers and farmers can have a stronger influence on the policies that affect our food system. Imagine the impact we could have on food policy and cooperative development if we were able to collaborate on the national level. The International Year of Cooperatives may be just the opportunity we need.

For more information on the NFCA and our collaboration with the Farmers Union, please visit www.nfco.coop.
2012: Co-operative Enterprises Build a Better World

by Annie Cheatham and Erbin Crowell

Happy New Year! Another year has passed with ups and downs for farmers and Northeast agriculture. Demand for regionally produced food continues to grow; consumers are energized about food policy issues; young and beginning farmers are coming to New England to learn how to be successful at this most demanding profession; and in spite of a global and regional recession, the New England Farmers Union (NEFU) is stronger. We have more members (over 1,400, 95 percent of whom are farmers and fishermen); more programs (carbon crediting, farm bill policy, apple slices for institutional buyers); more board members (all six New England states are represent- ed); and strong partnerships with New England members of Congress and the National Farmers Union in Washington, D.C.

We at New England Farmers Union have a lot to be thankful for, and are especially thankful for all... Continued on page 31

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the partnerships we have developed over this past year. Outstanding among the many is our relationship with the Neighboring Food Co-op Association (NFCA) and food co-ops around New England. Farmers and their customers are hungry for alternatives to corporate greed and stock market speculation. As we look at challenges such as climate change, unemployment, and growing disparities of wealth and ownership, people are looking for opportunities to grow resilient regional food systems and economies. In this context, co-operatives are viable enterprise models that do business by putting people and community first.

New England’s family farms and rural communities. Businesses such as the Pioneer Valley Growers Association in Western Massachusetts and Deep Root Organic Co-op in Vermont enable producers to access local and regional markets while building shared infrastructure and distribution. Dairy co-ops such as Cabot Creamery Co-op, Our Family Farms, Rhody Fresh and Organic Valley help preserve agricultural livelihoods and landscapes while helping family farmers compete with corporations many times their size. Farmers also use co-ops to obtain supplies and inputs. Examples include the Greenfield Farmers Co-operative Exchange in Massachusetts (founded in 1918), and Maine Organic Milling, a farmer-owned feed mill in Auburn, Maine. And, of course we shouldn’t forget the Farm Credit System, a network of farmer-owned financial co-ops that provide lending services to their members. Co-ops also play a key role at the other end of our food system. The Neighboring Food Co-op Association (NFCA) is a co-operative of more than 20 community-owned grocery stores in Vermont, Massachusetts, New Hampshire and Connecticut, with a combined membership of 90,000 people. Together, NFCA’s co-ops have annual revenue of $200 million and employ over 1,400 people. And, food co-ops buy a lot of regionally grown and processed food from New England farmers and fishermen. An independent study found that NFCA member co-ops purchased more than $30 million in local products in 2007, and that number continues to grow.

Food co-ops do many things to benefit our economy, including:• represent genuine community ownership and control;• focus on meeting member needs before accumulating profits;• develop local skills and resources;• pool limited financial resources to create successful community enterprises (most food co-ops in our region are based on member shares of $200 or less);• have a low business failure rate and tend to be long-lived;• are difficult to move or buy out, rooting business in the community;• separate community wealth from speculative markets; and• create regional efficiencies by pooling purchasing power.

As a result of these factors, farm and food co-ops contribute to a more stable food system. The UN’s designation of 2012 as the Year of Co-operatives represents a growing recognition that co-operative enterprises—including food co-ops, farmer co-ops, credit unions and worker co-ops—have been remarkably resilient in the current economy, preserving livelihoods, wealth and community infrastructure at a time of great instability.

We have begun to spread the word about this UN initiative. In May, the NEFU and the NFCA approved resolutions dedicating themselves to “efforts to raise the profile of co-operative enterprise, to demonstrate the benefits of co-ops in building local ownership and wealth, and to apply the co-operative model to new challenges and opportunities in our communities.” Both resolutions noted, “a majority of our country’s 2 million farmers are members of about 3,000 agricultural co-ops, helping them to sustain their farms, livelihoods and communities.”

So, in 2012, let us resolve to support New England’s vibrant co-operative community. Let’s celebrate and educate other about our co-operative economy and make the benefits of co-operation available to people who want a different way of doing business. Let’s build on the extraordinary efforts of generations of co-operators as we address new challenges and opportunities to build a thriving New England economy and food system. Let’s demonstrate how co-ops can build a better world.

For more information, visit www.newenglandfarmersunion.org/ nfc a/online.

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“Co-operatives: The Business of Teamwork” ~ National Farmers Union Curriculum ~ p. 111
Neighboring Food Co-ops Focus on Cross-Sector Collaboration

BY ERBIN CROWELL

On a bright, beautiful February day in Putney, Vt., members of the Neighboring Food Co-op Association (NFCA) gathered at the Putney School’s Calder Hall. “It’s always a privilege to spend time with this amazing group of forward-thinking cooperators,” said Robyn O’Brien, general manager of the Putney Food Co-op, our host for the day.

The gathering marked an exciting milestone for the NFCA: our first annual meeting as a formally incorporated cooperative of food co-ops. Participating in the gathering were nearly 50 representatives of the 28 NFCA member co-ops and startups across Connecticut, Massachusetts, New Hampshire, and Vermont. About a third of the NFCA members are startups and recently opened food co-ops, and it was exciting to see representatives from these groups connecting with managers and staff from established co-ops.

One of the greatest strengths of our association is the diversity (in location, size, and structure) of food co-ops represented. NFCA member gatherings are a key opportunity for networking and information sharing among member co-ops and a tangible example of collaboration among co-ops.

Other co-op sectors
Collaboration across sectors is also woven into NFCA activities and is a central plank in our vision of “a thriving regional economy, rooted in a healthy, just, and sustainable food system, and a vibrant community of cooperative enterprises.” To promote dialog on shared goals, our annual meeting included guests from partner organizations representing the wider cooperative economy of our region, such as Cabot Creamery Cooperative, CDS Consulting Co-op, Cooperative Fund of New England, the National Cooperative Grocers Association, the New England Farmers Union, Organic Valley, and the Valley Alliance of Worker Co-ops.

Together, we considered the challenge presented by Chuck Gould, executive secretary of the International Co-operative Alliance, to transform the International Year of Co-operatives (IYC) in 2012 into a Cooperative Decade.

Recent studies show that a billion people worldwide are members of co-ops—an estimated three times more numerous than individual shareholders in corporations. Here in New England, there are an estimated 1,400 co-ops with about 5 million members and operating in all sectors of the economy. What will be different for our co-ops and communities because of the International Year of Cooperatives? How might we work together to achieve the vision of a cooperative decade? How can we demonstrate that cooperative enterprise is an option in all aspects of our lives? What can we accomplish, together?

Ideas generated from small group dialogs included everything from cooperative media outlets to ensuring that the cooperative business model is taught at all of the colleges and universities in our region. Working together across sectors was a common theme, with one group proposing that co-ops “occupy” our local economies by expanding our impact in food production, health care, housing, finance, and education. And one group shared it vision, in graphic form, of the cooperative as the preferred business model of the future.

IYC 2012 is an unprecedented opportunity to grow our food co-ops and make connections with other co-ops’ sectors as we build toward a wider vision of a cooperative economy. The NFCA has a priority of helping our member food co-ops make the most of the IYC, creating a special section on our website that includes resources such as sample press releases, and profiles of other co-ops in our region to reprint in our member food co-ops’ newsletters, as well as ideas for action (visit nfca.coop/iyc).

Identifying products on our shelves that are supplied by other co-ops is an easy and effective opportunity for education that demonstrates the impact of co-operatives across the economy. The NFCA provides its member food co-ops with “Go Co-op” shelf talkers to identify co-op products in their stores, supported by an online list of supplier co-ops (nfca.coop/co-op-products). This initiative is consciously linked with the “Go Co-op” website hosted by the National Cooperative Grocers Association, which offers educational resources on the wider cooperative movement. We also created a searchable map on our website that provides a visual representation of the shared strength of co-ops in our region (nfca.coop/co-op-economy).

Our advertising in 2012 is focused on the IYC message that “Co-ops Build a Better World,” and we have worked to publish articles in regional press on the contribution of co-ops across sectors to our regional economy. At regional conferences such as state gatherings of the Northeast Organic Farming Association and the Slow Living Summit, we have organized workshops in collaboration with other co-ops to promote the Year of Co-ops and educate the public on the impact of co-ops across our economy. Partners in these panels have included representatives from national co-ops such as Organic Valley; worker co-ops involved in food production and distribution, such as Diggers Mirth and Valley Green Feast; and regional produce co-ops such as Deep Root Organic Co-op.

Regional sourcing, using our shared buying power to catalyze change in the food system, has been a major focus of our work over the
Working together, we can increase business success, communicate our differences and demonstrate our shared impact across the economy. This is our opportunity to lay the groundwork for the cooperative decade ahead.

past year, and Deep Root has been a key partner in this dialog. We worked closely with this co-op in sourcing products for our frozen fruit and vegetable pilot, “Farm to Freezer,” last year. As this project moves forward, we have been discussing how food co-ops and farmer co-ops can work together in the sourcing and distribution of regional products.

Responding to natural disasters also presents opportunities for collaboration, and when Hurricane Irene devastated New England in 2011, wiping out crops and destroying infrastructure, the NFCA worked with the Cooperative Development Foundation, Co-op Fund of New England, and the National Cooperative Grocers Association to launch the “Hurricane Irene Recovery Fund” to help ensure the continuing ability of co-ops in our region to serve their members and the wider community. Recipients of grant funds to date have included food co-ops, farmer co-ops, and their individual farmer members.

**Co-op curricula**
We have been working closely with the New England Farmers Union to develop educational resources on cooperative enterprise and to integrate co-ops into the curricula of local universities. In addition to my course on the cooperative movement at the University of Connecticut, we have worked with the Valley Alliance of Worker Co-ops, faculty and students from the University of Massachusetts (Amherst) Economic Department, and other partners to launch the U-Mass Cooperative Enterprise Collaborative. This evolving certificate program includes a core course, “The Economics of Cooperative Enterprise,” as well as an internship program for students with area co-ops.

Valley Alliance of Worker Co-ops has also been a key partner, along with Franklin Community Co-op and the U-Mass Five College Federal Credit Union, in the launch of the Valley Cooperative Business Association, a cross-sector organization that is working together to promote the cooperative economy of western Massachusetts and southern Vermont.

The sixth principle of the Cooperative Identity asserts that collaborating with other co-ops within and across sectors and industries is one of the most effective ways that we can serve our members. Working together, we can increase business success, communicate our differences and demonstrate our shared impact across the economy. This is our opportunity to lay the groundwork for the cooperative decade ahead.
International Year of Cooperatives Fact Sheet

A cooperative is a member-owned and controlled business that operates for the mutual benefit of its members. Cooperatives operate across all sectors of the U.S. economy and include agriculture, food distribution and retailing, childcare, credit unions, purchasing, worker-owned, housing, healthcare, energy and telecommunications cooperatives. Cooperatives promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples.

Cooperatives are a major economic force in developed countries and a powerful business model in developing ones. Worldwide, over 800 million people are members of cooperatives. The economic activity of the largest 300 cooperatives in the world equals the 10th largest national economy.

The United Nations General Assembly Resolution 64/136 proclaims the year 2012 as the International Year of Cooperatives (IYC). The Resolution encourages all member States and all relevant stakeholders to take advantage of the IYC to promote cooperatives, to raise public awareness of the contribution of cooperatives to social and economic development and promote the formation and growth of cooperatives.

The theme of the International Year of Cooperatives is “Cooperative Enterprises Build a Better World.”

Cooperatives in the United States...

- More than 29,000 cooperatives operate in every sector of the economy and in every congressional district; Americans hold over 350 million co-op memberships.
- U.S. cooperatives generate 2 million jobs and make a substantial contribution to the U.S. economy with annual sales of $652 billion and possessing assets of $3 trillion.
- The majority of our country's 2 million farmers are members of the nearly 3,000 farmer-owned cooperatives. They provide over 250 thousand jobs and annual wages of over $8 billion.
- Over 7,500 credit unions provide financial services to 91 million U.S. consumers.
- More than 900 rural electric co-ops deliver electricity to more than 42 million people in 47 states. This makes up 42 percent of the nation's electric distribution lines and covers 75 percent of our country's land mass.
- Approximately 233 million people are served by insurance companies owned by or closely affiliated with co-ops.
- Food co-ops have been innovators in the areas of unit pricing, consumer protection, organic and bulk foods and nutritional labeling.
- More than 50,000 families in the U.S. use cooperative day care centers, giving co-ops a crucial role in the care of our children.
- About 1.2 million rural Americans in 31 states are served by the 260 telephone cooperatives.
- In the United States, more than 1.2 million families of all income levels live in homes owned and operated through cooperative associations.

This fact sheet was produced by the National Cooperative Business Association, which represents America’s cooperatives and has a mission to develop, advance and protect cooperative enterprise. To learn more, visit www.ncba.coop.