

2003 Farmer Co-ops Conference

Today's cooperatives often find themselves in the challenging position of redefining their vision and creating new strategies to remain competitive. Implementing these strategies and making the vision a reality can be a difficult, time-consuming effort that requires innovative thinking and tough decisions.

Over the course of two days, the conference will highlight both the challenges to and the factors for successful implementation of business strategies. Two sessions tackle some of the most difficult situations cooperatives face: changing business structures and closing local plants and branches. Other sessions undertake diverse membership issues, creating strong brand recognition, and financing with non-traditional equity arrangements.

Cooperative leaders representing CoBank, Dairy Farmers of America, Foremost Farms, Pro-Fac/Birds Eye, CHS Inc., AGP, ADM, Land O'Lakes, National Grape Growers, West Central Cooperative, and Wyoming Sugar share their lessons through case studies and panel discussions. Nationally recognized cooperative scholars, investment bankers, and attorneys provide further insight.

Sponsors for this conference include: Farm Foundation, Lindquist & Venum PLLP, Badgerland Farm Credit Services, CHS Foundation, CoBank, The Cooperative Foundation, Dairy Farmers of America, Dorsey & Whitney LLC, Land O'Lakes, NCFE Education Foundation, and West Central Cooperative.

For more information: www.wisc.edu/uwcc/farmercoops03/index.html.

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Sixth Annual Farmer Cooperatives Conference

Executing Vision & Strategy with Success

October 30-31, 2003
Fairmont Kansas City At The Plaza
Kansas City, Missouri

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From the Center Recent Personnel Changes

Anne Reynolds has assumed the role of the Center's Interim Director. She will handle the day-to-day administrative responsibilities of the Center while continuing to work on new cooperative projects and providing leadership for the Cooperative Education Alliance.

Kim Zeuli has relinquished her general administrative responsibilities at the Center and is instead focusing on her cooperative research, teaching, and extension program as a Senior Faculty Associate with the Center and as an Assistant Professor in the Department of Agricultural and Applied Economics. Kim will continue to provide program and content leadership to the Center's research and education programs.

A steering committee involving faculty members from the Department of Agriculture and Applied Economics (Professors Gerry Campbell, Phil Harris, Ed Jesse, and Bruce Jones) and CALS Associate Dean Richard Klemme was formed to oversee the Center's strategic direction and to provide guidance and advice to Center staff. Kim and Anne will work with the steering committee on matters of strategic importance to the Center.

State Co-op Assn. Praises Passage of New Co-op Law

Minnesota cooperative leaders have praised state lawmakers for approving legislation aimed at helping cooperatives throughout Minnesota modernize and expand.

"This legislation will provide Minnesota cooperatives with an additional and important source of financing and this will provide a vital new tool for creating economic growth and development in Minnesota," said Bill Oemichen, President and CEO of the Minnesota Association of Cooperatives (MAC) and Wisconsin Federation of Cooperatives (WFC).

"Because of the interest in the Minnesota cooperative legislation being expressed by cooperatives and legislators in other states, the Minnesota legislation is expected to become a national model," he added.

The Minnesota Senate passed "The Minnesota Cooperative Associations Act" on May 25th, by a vote of 67-0. The legislation cleared the House of Representatives by a vote of 124-6.

MAC is putting together a DVD to be sent to member co-ops during 2003. Also available to others for a small fee, the DVD will present some background on the new law, key points to consider when forming a co-op under the new statute, elements for judging whether the statute is appropriate (instead of forming a more traditional co-op, LLC, joint venture, or other business structure), and a copy of the entire statute.

For more information contact MAC at 651-228-0213 or visit the organization's website at <http://www.wfcmac.coop>.



Forestry Cooperatives: What Today's Resource Professionals Need to Know

A National Satellite Conference

A national satellite conference is being conducted for natural resource, Extension, and cooperative development professionals on November 18, 2003. Cooperative members, consultants, service providers, and researchers will provide a framework for better understanding forestry cooperatives and their potential role in helping private forest landowners achieve their objectives. The UWCC's Kim Zeuli is one of the conference organizers.

More information about the conference is available at <http://www.wisc.edu/uwcc/forestcoops/index.html>.

For information about conference content or to find out how to establish a downlink site in your area, contact conference organizers at fc-conf@extension.umn.edu.

Over Twenty Years With UWCC

Tom Schomisch Turns a Corner

by Tom Schomisch
Professor and Chair Emeritus
Department of Life Sciences Communication
UW-Madison

As I retire from full time work at the U.W., one event in my communication and education work with cooperatives and with board service for several co-ops emerges as the biggest lesson I learned about this fragile, yet powerful business enterprise.

The year was 1993. Oddly enough, I was half way around the world, working in Zambia in south central Africa. UWCC staffers, Bob Cropp, the late Gar Stock, and I were starting a two-week educational program for some sixty cooperative leaders in that country. We were joined by a handful of cooperative leaders from the country who previously had studied co-op management on the U.W. campus (with field visits to U.S. cooperatives).

l to r: Tom Schomisch (UWCC), Happy Phiri (Zambian Co-op Financial Services), Bob Cropp (UWCC), Grieve Sibale (Zambian Co-op Federation), and Gar Stock (UWCC). Photo taken in 1992.

As I opened the workshop, I asked the co-op leaders to consider the higher standard of ethics required of co-op managers and board members if they hope to inspire the trust of members and employees in their village, regional, and national cooperatives. After a brief discussion, a more outspoken leader stopped me cold and asked the group to leave the conference room and join him outside in the courtyard.

When the group returned 30 minutes later, the leader informed me that they had voted to ask their government cooperative agency to investigate one of their national co-op elected leaders

who they believed was abusing his power. He charged, "We must lead with our action and words, our people trust us with their future!" His powerful move set the stage for an exciting workshop, made even more so when the person in question showed up a day later!

Co-op leaders do hold the future of many people in their hands as they make critical decisions ranging from financing to providing services and facilities for the next generation of members. May our actions and words continue to earn the confidence of our members.

Professor Tom Schomisch coordinated and taught programs for cooperative employees, directors, board presidents and managers at UWCC from 1974 through 1996 when he began full time service as Marketing Professor and eventually Chair for the Department of Life Sciences Communication. He continues his service as Director for Group Health Cooperative, Madison (since 1982) and Appointed Director for Badgerland Farm Credit Services, Baraboo, Wisconsin (since 1990).



Current Co-op News on UWCC Website

www.wisc.edu/uwcc

The University of Wisconsin Center for Cooperatives' website offers hundreds of articles, reports, directory listings, and cooperative links from around the world.

We also offer a free **e-mail News Service** that's updated at least once a week. To subscribe to **Co-op News from UWCC**, send a message to Anne Reynolds at reynolds@aae.wisc.edu.

Meeting the Rural Health Care Challenge:

A UW-Madison Public Issues Forum Co-sponsored by UWCC

by Carol J. Roth
Outreach Specialist with PATS
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UW-Madison



Wisconsin farmers and their families, along with other rural self-employed and small business owners, tend to lack the kind of health insurance coverage that many Wisconsin residents take for granted.

Meeting the Rural Health Care Challenge was the focus of a recent UW-CALS (College of Agricultural & Life Sciences) forum to explore possible solutions to solve the health care problems that are critical to the future of Wisconsin farmers and rural communities. In his keynote address, Rod Nilsestuen, Secretary of the Wisconsin Dept. of Agriculture, Trade & Consumer Protection, emphasized the importance of health care to the economic vitality of rural Wisconsin and that agencies need to work together to solve this crisis.

This study focused on dairy farmers, but all self-employed face many of the same problems. High health care costs and

Wisconsin Legislation

In addition to the legislative updates at the forum, other legislation addressing health care issues in Wisconsin include changes in Badger Care and Medicaid, the Private Employer Health Care Program (PEHCCP), and Prescription Drug Purchasing Pool.

Opening the State Health Insurance Pool to Farm Families:

Representative Debi Towns and Senator Joe Leibham are sponsoring Assembly Bill 313 which would open the state employee health insurance pool to farm families. This Bill would make the state insurance plan available to Wisconsin farm families who are able to pay the full cost of the plan. For farm families that are currently paying huge premiums for catastrophic insurance with high deductibles and high co-pays, this could provide much better coverage.

Creating a State Universal Health Care Plan:

Representative Mark Miller and Senator Tim Carpenter are sponsoring a Wisconsin Universal Health Plan. Assembly Bill 229 (the companion bill in the Senate is Senate Bill 90) creates a single-payer system referred to as a "health care for all" bill. Each state resident would receive medical services necessary to maintain health and obtain treatment/rehabilitation for injury, disability or disease.

For a Fact Sheet on current legislation or other information on this project, contact Carol J. Roth (ph.: 608.265.3463, e-mail: cjroth@facstaff.wisc.edu).

inadequate coverage not only create public health risks, but also pose significant economic risks to farms and small businesses.

Health Care Options and Solutions

The forum presented several options currently being implemented throughout the state.

Community Health Centers (CHC)
Mari Freiberg, Wisconsin Primary Health Care Assn., explained that CHCs are federally funded "to advance geographic, financial and cultural access to comprehensive, community-oriented primary health care services for all people in Wisconsin." CHCs provide primary and preventive care, offer a sliding fee scale, and accept all types of insurance (including Medicare, Medicaid and Badger Care).

Parish Nursing
Churches have identified health care as a growing problem in their rural communities. Carol A. Lueders Bolwerk, RN, PhD Parish Nurse, Concordia, explained how the Parish Nurse Program (PNP) helps meet these health care needs. While this program cannot provide a full array of health care services, approximately 400 churches throughout Wisconsin have PNPs that provide a range of prevention and early intervention programs, including health screenings, counseling, and education. Parish Nurse Programs bring a holistic approach to health care, integrating the physical, emotional, social, occupational, intellectual, environmental, and spiritual aspects of health.

Free Health Care Clinics
There are approximately 30 free health

Major Issues of Health Care Access and Affordability

Wisconsin farm families (and other rural self-employed) find it more difficult to obtain affordable and accessible health insurance coverage. Recent PATS research indicates that:

- Almost 1 in 5 dairy farmers (18%) surveyed had no insurance at all. Younger farm families and those with children under 18 were more likely to be uninsured.
- Almost one-fourth (23%) of dairy farmers were underinsured (not all family members had health insurance).
- More than one-half (58%) of dairy farmers with insurance had major medical policies with a \$500 deductible or more. This means that many dairy farmers have no preventive care.
- Almost one-third (28%) of dairy farm families received their care through a family member's off-farm work.
- Fewer than 1 in 10 (6.4%) received their health insurance through a local farm cooperative.

Benefits Counseling

Bobby Peterson, a Public Interest Lawyer with ABC for Health Inc. identified the most common barrier for families with health problems – they just do not know where to go for help. For the patients, benefits counseling can help reduce the confusion and frustration of looking for the needed care and allow them to focus on health instead of on money. For health coverage providers, it can help reduce medical debt and uncompensated care, by helping patients find the financial resources they need.

care clinics in Wisconsin, with several serving rural areas.

Services offered differ from clinic to clinic. Sister Leclare Beres, Clinic Director, St. Clare Health Mission in La Crosse, identified ways that a free clinic can meet the needs of several underserved populations. The LaCrosse Clinic is open two nights a week, offers primary

health care, and has a pharmacy that offers medications at reduced cost.

The health care services are offered by volunteers, and services are free unless patients are in a position to pay (on a sliding fee scale). Some clinics do not offer services to persons with health insurance and as such are a resource only for families who are uninsured.

Cooperative Approaches

Purchasing Alliances

Bill Oemichen, President and CEO of the Wisconsin Federation of Cooperatives and Minnesota Assn. of Cooperatives explained rural health care purchasing alliances as a possible response to the rural health care challenge. The Wisconsin Concept for purchasing alliances is designed after the Minnesota Model implemented in 2002. These alliances bring cooperatives and small businesses together to be able to competitively buy health insurance for their members and staff.

The Wisconsin Health Care Purchasing Alliance

Legislation is being drafted to authorize cooperative health care purchasing alliances beyond what is already in Wisconsin Statute Chapter 185, "Cooperatives."

- Would create five health care purchasing alliance demonstration projects in rural Wisconsin.
- Project areas would be chosen by the Commissioner of Insurance.
- Members would commit to multi-year alliance membership to help stabilize premiums.
- Alliance members would hire a third party administrator to achieve administrative cost savings.
- Alliance members would work together to negotiate for a customized health care product that fits area cooperatives and small businesses.
- Alliance members would collaborate on employee prevention and chronic condition management (as much as 65% of each health care dollar).
- Alliance members would seek a U.S. Department of Health and Human Services CAP grant for a stop loss fund and potential capitalization from alliance cooperative and small business members.

Worker Cooperatives

Margaret Bau, Cooperative Development Specialist, USDA, explained a worker co-op developed to provide home care to rural elderly in Waushara County. The documented successes of this program include: profitable (included substantial patronage refunds), increased community support, empowered Boards of Directors, and worker retention. This cooperative not only benefits the members but also provides an extremely needed health service to rural elderly.

For information on healthcare co-ops, visit the UWCC website at http://www.wisc.edu/uwcc/info/i_pages/health.html.



Badger AgVest
An Investor Alliance for Agriculture

By Greg Lawless, UWCC

In 2002 UWCC received USDA funding and worked with our partners at Co-op Development Services and the Wisconsin Dept. of Agriculture, Trade & Consumer Protection (DATCP) to develop an educational program for select commodity producers in Wisconsin. The resulting Value Added Agriculture Leadership Development (VAALD) program involved participation by two-dozen producers over a nine-month period. Invited speakers from Illinois, Nebraska, Kansas, Michigan, North Dakota, Colorado, and Iowa conveyed a sense of how producers across the country were investing in value added ventures.

The most persuasive story we heard was that of AgVentures Alliance of Iowa. In December, AVA producer and board member Brad Petersburg explained how this network of 1100 farmers and agribusinesses explores and develops profitable investment opportunities for its members. By the end of the day, the VAALD participants voted unanimously to start just such an organization in Wisconsin.

In February 2004 a steering committee met and chose a name and slogan for the new organization: Badger AgVest: An Investor Alliance for Agriculture. Since then, steering committee members have met with attorneys and with UWCC's Greg Lawless and DATCP's Will Hughes to work out the details. On April 2, the concept got its first public exposure at a meeting hosted by DATCP Secretary Rod Nilsestuen.

On July 8, Badger AgVest, LLC filed Articles of Organization. To ensure farmer control, a nine-member board of directors will have a minimum of six active producers, but any individual, business, or organization may become a member. A one-time membership fee of \$300 will enable the organization to build an initial pool of capital, which it will leverage to acquire grants and other support. These dollars will be spent on conducting feasibility studies and developing and evaluating business plans for prospective new ventures.

The primary benefit of membership is the opportunity to invest in these new ventures. The benefit to the state's agricultural industry is that Badger AgVest will provide a vehicle to channel equity capital into the most promising ag-business opportunities, and just as important, it will enable the state's most entrepreneurial producers to come together, share ideas, and develop resources and abilities to start innovative and profitable companies that complement their farming operations.

For more information contact Greg Lawless (ph.: 608.265.2903, e-mail: lawless@aae.wisc.edu).

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uwcc mission & vision statements

MISSION:

The University of Wisconsin Center for Cooperatives' mission is to study, promote and research cooperative action as a means of meeting the economic and social needs of people.

VISION:

The University of Wisconsin Center for Cooperatives will be the leading source of information on cooperatives, cooperative research and educational programming geared to enhance cooperative action and enterprise.

information services

Cooperative Library:

608-262-9488, Room 106 Taylor Hall.

UWCC Home Page:

<http://www.wisc.edu/uwcc>

UWCC Cooperative Listserver:

e-mail subscription requests to: reynolds@aae.wisc.edu

UWCC website for young cooperators:

www.wisc.edu/coops

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