Center for Cooperatives
DIVISION OF EXTENSION
UNIVERSITY OF WISCONSIN–MADISON

2023 ANNUAL REPORT

ABOUT

The University of Wisconsin Center for Cooperatives (UWCC) is a trusted and unbiased voice on the cooperative business model serving the needs of cooperatives in Wisconsin and beyond. With a strong public service orientation and access to world-class university resources, we leverage research, education, and outreach capabilities to foster critical thinking and understanding about cooperatives. As the only U.S. university-based center that studies and supports all forms of cooperative business, UWCC provides valued education and research to a diverse range of communities.

2023 ADVISORY COMMITTEE

UWCC benefits from the guidance of an advisory committee. Comprised of cooperative leaders, the committee members provide valued counsel on UWCC's education, outreach, and research initiatives.

- Margaret Bau, USDA Rural Development
- Matthew Brandrup, Rural Electric Supply Cooperative
- Terri Dallas, Genex
- Jim Dell, Alcivia
- Anya Firszt, Willy Street Co-op
- Lizzy Haywood, People's Food Co-op
- Mark Huth, MD, Group Health Cooperative
- Jaimes Johnson, UW Credit Union
- Jeff Lyon, FarmFirst Dairy Cooperative
- William Nelson, Ralph K. Morris Foundation
- Ole Olson, Isthmus Engineering and Manufacturing
- Jesse Singehouse, Dunn Energy Cooperative
- Daniel Smith, Cooperative Network
- Kimberly Turnmire, CROPP Cooperative/Organic Valley
- Monica White, UW-Madison

UW Center for Cooperatives
427 Lorch St., Taylor Hall
Madison, WI 53706
uwcc.wisc.edu

RESEARCHING THE COOPERATIVE MODEL

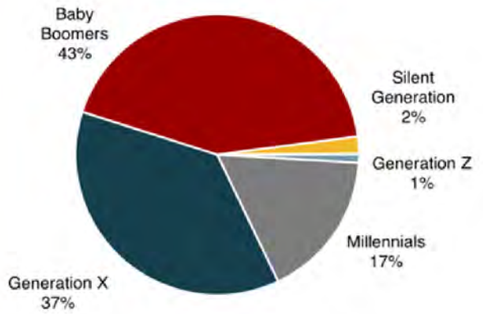
In 2021, the UW Center for Cooperatives (UWCC) launched the Cooperative Governance Research Initiative (CGRI) with the goal of generating robust data and insights about governance practices within and across U.S. cooperative sectors.

DIGGING INTO THE DATA

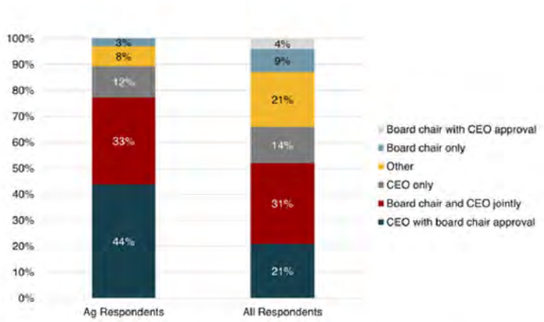
Democratic member control is an inherent aspect of all co-ops, but the way this fundamental characteristic is operationalized differs across co-op sectors and types. It is crucial to us that co-ops can identify themselves within the data, irrespective of their industry, size, history, location, or membership structure. In pursuit of this goal, UWCC focused on producing reports tailored to specific sectors.

AGRICULTURAL SECTOR FINDINGS

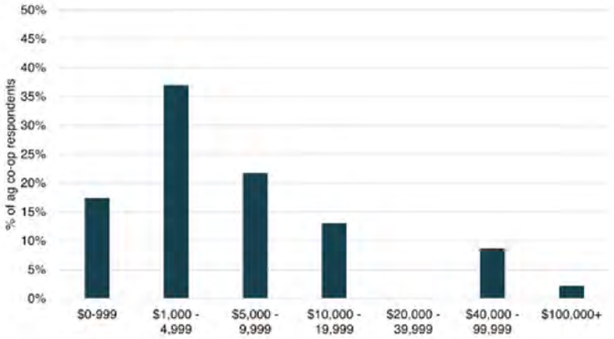
UWCC released the report on agricultural cooperative governance, *2021 Cooperative Governance Research Initiative: Ag Sector Findings,* produced in partnership with the University of Missouri Graduate Institute of Cooperative Leadership and with generous funding from CoBank. It provides information on the practices and culture around governance that agricultural cooperative leaders and practitioners need. It also examines the relationships between governance and performance and begins to unpack the dimensions of governance that may impact long-term cooperative health. Key findings include:



Age Composition of Average Participating Agricultural Cooperative Board



In the Past 12 Months, Who Has Set the Agenda for Board Meetings?

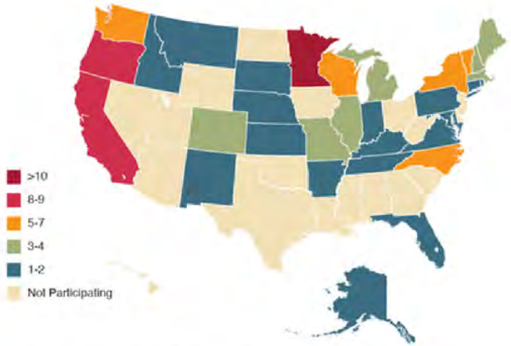


Total Annual Compensation for Non-Officer Directors

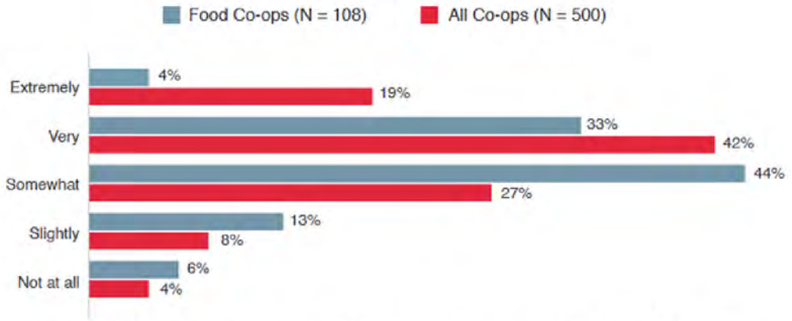
FOOD CO-OP SECTOR FINDINGS

UWCC released the report on food co-op governance, *2021 Cooperative Governance Research Initiative: Food Co-op Findings*, produced with generous funding from National Co+op Grocers. The report highlights the dynamics and trends shaping governance practices in food co-ops. Some key findings include:

- On average, food co-op boards tend to be more diverse than CGRI participants; however, they reported lower levels of confidence in having the right mix of directors and that demographics of the board reflect the membership. This lack of confidence is reflected in the finding that most food co-ops plan to prioritize board diversity in the next three years.
- When it comes to board recruitment, food co-ops are more likely to use a nominating committee than CGRI respondents as a whole. On average, food co-ops with nominating committees are more confident they have the right mix of directors than those without.
- Food co-ops are more likely than other CGRI participants to offer a diverse range of voting options and to hold open board meetings. Despite these efforts and the widespread use of strategies to promote member participation, food co-ops reported lower turnout at the last election and annual meeting and lower confidence levels the board understands member needs.



Participating Food Co-ops by State



How Confident Are You that the Board Has the Right Mix of People to Perform Its Governance Duties Effectively?

GOVERNANCE SURVEY COMING IN 2024

The UWCC Research Team is gearing up for data collection on cooperative governance practices in 2024. This survey will build on the foundational research launched in 2021 and provide valuable data to benchmark and improve governance practices. Sign up for our mailing list to ensure that you stay well-informed about the UWCC's research on cooperative governance practices and are ready to participate in the survey when it becomes available.

EDUCATING THE NEXT GENERATION

CO-OPS CLASS

Every year, UWCC offers a comprehensive class on cooperatives. The course, Cooperatives and Alternative Forms of Enterprise Ownership, explores why cooperatives and other user-owned enterprises emerge, who they serve, how they differ from other forms of enterprise, and the ways in which they can be used to address social, economic, and environmental challenges. UWCC supports graduate and postdoctoral fellows with an interest in cooperatives with academic guidance, mentorship, access to cooperative documents and data, and industry connections to facilitate graduate research. UWCC staff support students from the UW Law School who are interested in the cooperative model, and work with the Law & Entrepreneurship Clinic to support cooperative clients and develop cooperative legal resources.

PREPARING FUTURE CO-OP EMPLOYEES

UWCC staff and faculty from UW Madison's Agricultural and Applied Economics Department (AAE) held three focus groups with leaders from Wisconsin agricultural cooperatives to identify content that could be added to current AAE course offerings to better prepare future cooperative employees and board members. The focus groups consistently identified the need for skills and knowledge in the following areas: understanding the role of cooperatives in the ag industry, business and financial acumen, the ability to work as part of a team, and communication skills. During the 2023-2024 academic year, AAE faculty developed and delivered content related to these topics in three AAE courses: Intro to Agricultural and Applied Economics, Economic Decision Analysis, and Agricultural Finance. Thank you to the CHS Foundation for funding this valuable project.

MADISON COLLEGE

UWCC staff partnered with Madison Worker Cooperatives (MadWorC) to teach a "Start a Worker Co-op" class through Madison College's Professional and Continuing Education program. The practicum-based curriculum was developed with support from the Cooperative Development Foundation. During the eight week class, participants learned about worker cooperatives and created all the materials necessary for business planning and for starting a real cooperative. MadWorC will lead a four week abbreviated version of the class starting in February 2024 titled "What is a worker cooperative and why would you start one?"

SCHOLARSHIPS

UWCC, the Department of Agricultural and Applied Economics, and the UW School for Human Ecology awarded scholarships to graduate students to pursue research, outreach activities, or further knowledge related to cooperative businesses. Funded research topics include: how to address market failures in both agricultural markets and rural financial markets impacting farmer-owned dairy cooperatives in Uganda and research on the developmental origins of helping behaviors and cooperation in young children.

DEVELOPING NEW COOPERATIVE BUSINESSES

UWCC provides assistance to new and emerging cooperatives and to businesses interested in converting to employee ownership. In 2023, we worked with cooperatives from a wide range of industries including but not limited to veterinary services, home care, food service, and forest products. The stories below highlight how some of these cooperatives are helping retain businesses, services, wealth, and jobs in their local communities.

RETAINING PET CARE IN THE COMMUNITY

As with many industries, independent veterinary hospitals and clinics are being acquired by corporations. Considering retirement, clinic owners have limited options for exiting the business. In Wisconsin, the veterinarians of two co-owned clinics in Spring Green and Mazomanie decided to explore converting to a worker co-op as a way to continue providing services to their communities. The vet clinics enlisted the help of UWCC to assist them through the process of drafting bylaws, determining membership requirements, board composition, redistribution of profits, and more.

Under UWCC's guidance, the owners successfully transitioned the business to their employees, resulting in 21 eligible employees becoming co-op members at the time of conversion, with an impressive retention of 19 members to date. This success story serves as a testament to the viability of employee ownership as a strategic approach to business sustainability and community prosperity.

SERVING UP STREET FOOD

Wisconsin's first food truck cooperative, El Chisme, Spanish for "The Gossip", launched in 2023. Through technical assistance from Worker Justice Wisconsin (WJW), Guadalupe Gomez converted her 12 year old food truck business to worker-owed cooperative. Gomez and her children serve up Mexican street food such as esquites, birria tacos, pambazos, ham sandwiches, and tacos ahogados. After years of helping their mom build up the business, the now worker owners are able to share in the profits. The family is currently saving money to finish refurbishing a food truck, which will let them extend their season.

WJW is a Madison-based nonprofit that builds collective worker power together with faith and labor allies. WJW partnered with the Madison Cooperative Development Coalition to build internal capacity for worker cooperative incubation. As part of their worker cooperative program, their staff provide training on co-ops and connect interested incubatees with co-op mentors in their industry of interest. WJW has thus far incubated cooperatives in the industries of interpretation/translation, food service, and janitorial services.

DEVELOPING NEW COOPERATIVE BUSINESSES

CULTIVATING CONVERSION CAPACITY

In 2023, UW Center for Cooperatives, Northcountry Cooperative Foundation, Cooperative Development Services, Minnesota Center for Employee Ownership and Wisconsin Center for Employee Ownership have developed a working group to leverage services available for cooperative conversion in Wisconsin and Minnesota. Partners have collaborated on shared outreach and education events to increase capacity of professionals that can support cooperative conversions. Over the past year, partners have presented at the Annual Lenders Conferences in both states, Wisconsin Economic Developers Association Fall Best Practices Conference and wrote an article for a periodical for Certified Public Accountants in Minnesota.

Additionally, the group has provided shared technical assistance for cooperative conversions leveraging individual and organization's unique strengths and capacity. Peers support is key to this collaboration to ensure that best practices are used with cooperative clients.

EXPLORING HOME CARE SERVICES

As the U.S. population ages, there is historic and growing demand for quality, in-home care. Across the nation, more than 2 million homecare workers help people stay in their homes by assisting with daily tasks such as eating, dressing, and bathing. In Wisconsin, demand for in-home care is at an all time high. Yet, providers face recruitment and retention challenges due to low wages and poor working conditions.

UWCC is supporting the Respite Care Association of Wisconsin (RCAW) through its exploration of home care cooperative development that includes respite as a prioritized outcome. The worker cooperative model will be promoted and spported as a way to address the shortage of respite care across the state.. RCAW is a non-profit group contracted by the State of Wisconsin to coordinate respite care services across local and state levels. Respite care provides planned or emergency short-term relief from primary caregivers such spouses, parents, and children.

In 2023, RCAW engaged the ICA Group to perform a market assessment to identify promising geographic areas and strategies for the development of worker-owned home care cooperatives in Wisconsin.

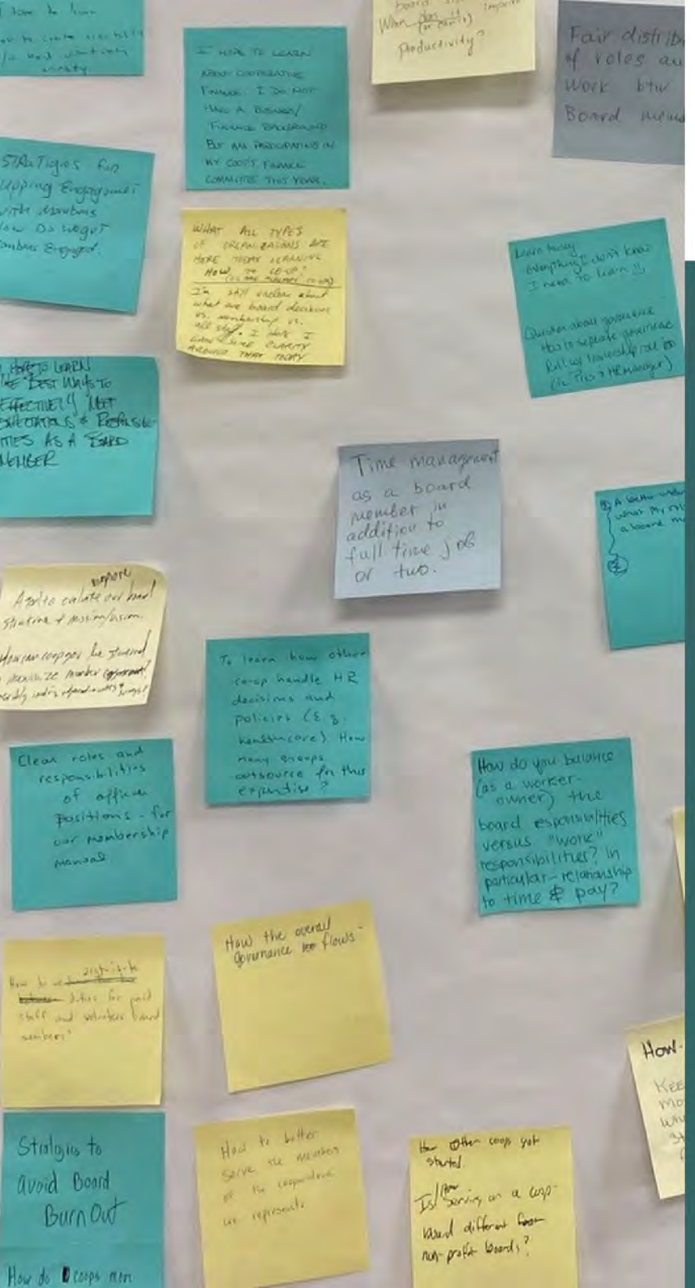
SUPPORTING COOPERATIVE FOOD ENTERPRISES

Cooperative food enterprises improve local and regional food systems by supporting small-scale producers and expanding access to locally-produced and healthy food. UWCC supports a variety of cooperatives and those interested in starting cooperatives within the local food system through education and technical assistance. UWCC staff has presented at UW Extension's FEED Summit, which supports early-stage food and farming businesses in Wisconsin. Additionally, UWCC staff presented on the topic "Successfully Find Customers for Your Food Business: Lessons from a Wisconsin Food Cooperative." Types of food enterprises supported this year include: meat processing, regional seed production, food co-ops, and hemp production.

EDUCATION & TRAINING FOR CO-OPS

CCMA 2023

In June, grocery cooperative leaders from across the United States and Canada gathered in person in Sacramento and online for the Consumer Cooperative Management Association's (CCMA) 2023 conference. This year's theme, Cooperative Vitality: Reconnection and Resilience, honored Sacramento's nickname, "City of Trees". Sacramento's tree canopy is thick with elms, oaks, sycamores, and hundreds more species that together cover nearly a quarter of the urban landscape. Deeply rooted local institutions, such as our cooperatives, are an essential element of thriving, diverse communities. CCMA 2023 was an opportunity to shed light on the many ways cooperatives—like forests—foster connection, regeneration, and community vitality. The annual national conference for grocery cooperatives was hosted by UWCC along with local co-ops Sacramento Natural Foods Co-op, Davis Food Co-op, BriarPatch Food Co-op, and Pachamama Coffee Cooperative. CCMA 2023 brought together nearly 450 food co-op leaders from 80 cooperatives to discuss pressing issues and innovations..



DIRECTOR TRAINING

GOVERNANCE TRAINING FOR NEW CO-OP DIRECTORS

In 2022, UWCC launched its three part governance training for new cooperative directors. This training is designed for directors from all types of cooperatives and sectors. The first session focuses on what a cooperative is and how a director can best fulfill their responsibilities to the cooperative in this role. The second training walks attendees through finance basics for directors including understanding the unique features of co-op finance and the unique responsibilities of cooperative directors. The last session highlights tools such as CEO and board evaluation, policies, meeting facilitation, and decision making tools that assist with building a productive board process. We're excited to take the director training to Stevens Point, Wisconsin in 2024!

AGRICULTURAL CO-OP DIRECTOR TRAINING

In January, UWCC partnered with the University of Minnesota and Land O'Lakes Inc. Member Services Team to deliver training for agricultural cooperative directors in southern Minnesota. Training topics included strategic thinking, managing through impending CEO or senior staff retirements, workforce recruitment and alternative staffing, managing with fewer employees, and cooperative capital.

FARMER COOPERATIVES CONFERENCE

The 26th Annual Farmer Cooperatives Conference returned to downtown Minneapolis, Minnesota, in December 2023. Attendees heard from their cooperative peers on topics such as managing member equity; labor programs such as flex labor and apprenticeships for formerly incarcerated individuals; policy implications including an analysis of the upcoming election year and the farm bill; cooperative risk management; the impact of ChatGPT and artificial intelligence on agriculture; and reflections on trends in agricultural cooperative governance practices.

UWCC was pleased to bring students to the Farmer Cooperatives Conference through funding from the William and Harold Moy Young Leaders Scholarship Fund. The goal of the scholarship program is to recognize students who have the potential to make outstanding contributions to the cooperative and/or agribusiness sectors. This year two students attended and connected with agribusiness leaders.

Katie Strader is a graduate student at UW-Madison in the department of Agricultural and Applied Economics. Prior to starting graduate school, Katie worked full time on an organic farm in the Madison area. Her research focuses on the benefits of regenerative agriculture for Midwest farmers.

Cole Hicken is a senior at UW-Madison who will graduate shortly with a degree in Agricultural and Applied Economics. Cole is interested in pursuing a career in agricultural lending and connected with farm credit partners at the conference.