

# COOPERATIVES

electric, phone, farm inputs,  
grain handling, fuel, grocery, credit union



## WHAT ARE COOPERATIVES?

Cooperatives are an everyday part of American life. Wherever you live, work, or shop, it is likely a cooperative is involved. You'll see a cooperative in action at the credit union where you bank. A cooperative is a business organized, owned, and controlled by the people who use its products and services. Today, one in three Americans are a member of a cooperative. Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibility of membership.

Many American cooperatives were developed by farmers to purchase supplies, assist in marketing grain and livestock, or provide storage or processing services, and farmer cooperatives continue to be a large portion of the cooperative businesses in the United States. Large businesses did not want to set up in rural areas because there was not a high population of people. So, individuals in the community got together to make it happen. It's how rural communities got telephone service and electric service. Today, cooperatives exist in every sector of the economy, from grocery stores to credit unions, housing complexes to farm supplies.

Cooperatives operate for the benefit of their member-owners. They take advantage of economies of scale, combining buying power and strength in number to save money and return profits to their members. In the process, cooperatives provide millions of jobs, support businesses and personal needs, and enhance the quality of life. While some might not see a difference between a cooperative and a company with stockholders, there is one big thing that sets a cooperative apart. In a cooperative every member gets one vote, regardless of quantity of "shares" you own or how many goods or services you use in a year. To become an owner of stock in a company, you just have to buy in, whereas, to be a member of a co-op, you have to use the goods or services of the cooperative.

In Illinois, cooperative businesses can be members of the Illinois Cooperative Council (ICC). ICC members include statewide cooperative businesses and associations, state government, and agricultural education institutions and organizations. The council was started in 1966 to promote the growth and development of Illinois cooperatives. It is dedicated to promoting a positive business climate for cooperatives, increasing the public's understanding and awareness of the value of cooperatives, and recognizing excellence exhibited by Illinois cooperative businesses.

**"We must, indeed, all hang together or most assuredly, we shall all hang separately."**

*- Benjamin Franklin*

## VOCABULARY:

**AUTONOMY** — independence or freedom, as of the will or one's actions

**CONSOLIDATED** — brought together into a single whole

**CO-OP** — abbreviated word for cooperative

**COOPERATION** — an act or instance of working or acting together for a common purpose or benefit

**COOPERATIVE** — a group of people working or acting together willingly for a common purpose or benefit

**CORPORATION** — any group of persons united or regarded as united in one body

**DEMOCRATIC** — pertaining to or characterized by the principle of political or social equality for all

**ECONOMIC** — pertaining to the production, distribution, and use of income, wealth, and commodities

**INCORPORATION** — the act of forming a legal corporation

**INDEPENDENCE** — freedom from the control, influence, support, aid, or the like, of others

**MEMBERSHIP** — the state of being a member, as of a society or club

**ORGANIZATION** — a group of persons organized for some end or work

**VOLUNTARY** — done, made, brought about, undertaken, etc., of one's own accord or by free choice

# POPULAR COOPERATIVES

**GROWMARK**, FS, Prairie Farms  
Blue Diamond Growers, **Ocean Spray**,  
Florida's Natural Growers, **Ace Hardware**,  
Tri-County Electric Cooperative, Hamilton County  
Telephone Co-op, **Mid Century Telephone Co-operative**

## States with the most agricultural cooperative headquarters in the Top 100

1. Iowa (15)
2. Minnesota (12)
3. Nebraska (9)
4. Illinois (6)
5. California (5)

## States with the 5 largest agricultural cooperative headquarters

1. Minnesota
2. Missouri
3. Illinois
4. Nebraska
5. California



While Iowa has the most agriculture cooperatives headquartered there, Minnesota has the largest agricultural cooperative in the United States, CHS Inc. Their purpose is to create connections that empower agriculture. CHS is a diversified global agribusiness cooperative owned by farmers and local cooperatives across the United States.

## COOPERATIVE HISTORY:

**1752** — Benjamin Franklin founded the Philadelphia Contributorship for the Insurance of Homes from Loss by Fire.

**1843** — A group of weavers in Rochdale, England formed what is considered the first successful modern cooperative, selling dry goods.

**1850** — Blue Diamond Growers started as The California Almond Growers Exchange.

**1921** — 320 dairy farmers meet to find a way to effectively market their dairy products, forming Land O'Lakes.

**1924** — Ace Hardware started.

**1927** — Illinois Farm Bureau members came together and started Illinois Farm Supply, now known as FS and GROWMARK.

**1930s** — The Great Depression caused many consumer cooperatives. These cooperatives were essentially buying groups, organized to help people, especially in urban areas, gain access to affordable food and goods.

**1930** — Ocean Spray started.

**1938** — Local farmers form a cooperative to negotiate price received for cream, forming Prairie Farms.

**1938** — Tri-County Electric Cooperative incorporated to serve Jefferson, Marion, and Washington counties in Illinois.

**1940s** — Prairie Farms and Land O' Lakes started producing powdered milk for WWII.

**1949** — Blue Diamond Smokehouse® almond is introduced.

**1950s** — Ocean Spray's first TV commercial.

**1950** — Mid Century Telephone Cooperative was incorporated to serve areas in McDonough, Fulton, Peoria, Knox, Henry, and Stark counties in Illinois.

**1953** — Hamilton County Telephone Co-op was created.

**1963** — Southern Illinois Power Cooperative was formed.

**1966** — Illinois Cooperative Council began.

**1980** — FS Services and Illinois Grain Corporation consolidated to form GROWMARK.

**1980** — Ocean Spray celebrated its 50th birthday.

**1987** — Eastern Illini Electric Cooperative was formed to cover 10 counties with headquarters in Paxton, Illinois.

**1989** — Prairie Farms acquires Pevely Dairy, the largest and oldest independent dairy in St. Louis, Missouri.

**2010** — Blue Diamond Growers produced over 1.5 billion pounds of almonds.

**2014** — GROWMARK is ranked the 4th largest agricultural cooperative in the United States.

**2019** — Prairie Farms recycled over 3,000 tons of paper, plastic, and cardboard and many more things to help the environment and to help create jobs.

# SPOTLIGHT ON POPULAR COOPERATIVES

## SPOTLIGHT ON CAREERS

### SALES REPRESENTATIVE

A **Sales Representative** is responsible for selling a company's products by identifying leads, educating potential customers on products through calls, trainings, and presentations, and providing existing customers with support.

### MARKETING COORDINATOR

A **Marketing Coordinator** must have a creative mind to help businesses stay fresh and competitive. The coordinator is expected to prepare and present ideas on a regular basis, and research market trends and industry data to stay on the cutting edge.

### MANAGER

The **Manager** oversees employees and facilities. It is the responsibility of the manager to plan and promote the daily schedule of employees and company and to be able to work directly with the customers.

## WHY JOIN A COOPERATIVE?

**Joining a cooperative** provides you with ownership of the business you participate in. The members of each cooperative elect a board of directors to make sure the business is run how the members see fit. Being a member of a cooperative allows more value to be added than it would be otherwise. Members also receive a share of the cooperative's profits.

When you join a cooperative, it competes in the market, so you don't have to. Working with other member-owners, your cooperative has a more prominent presence in the marketplace. This allows you to get the best possible value for your crop while minimizing your risk. Not only does the cooperative compete in the market for you, it also provides member-owners with the tools they need to keep their operations viable and profitable.



### GROWMARK

GROWMARK started right here in Illinois in 1927 as Illinois Farm Supply! In 1980, FS Services in Illinois, Iowa, and Wisconsin and the Illinois Grain Corporation consolidated to form what is now GROWMARK. It is an agricultural cooperative that provides its customers with fuels, crop nutrients, crop protection products, seed, and many more services. Today, GROWMARK serves customers across the United States and Canada.



### PRAIRIE FARMS DAIRY

"Locally Owned. Locally Produced. Since 1938." Just like their slogan says, Prairie Farms has been producing dairy products for us since 1938, all thanks to the 800 farm families in 13 different states that make up their cooperative. Prairie Farms produces products like milk, cottage cheese, butter, yogurt, dips, sherbet, ice cream, and even orange juice.



### BLUE DIAMOND GROWERS

In 1910, almond growers started a grower's exchange that is now known as Blue Diamond Growers. In 1986, Blue Diamond almond growers launched an ad campaign with the pitch, "A can a week, that's all we ask," to promote almond sales. Blue Diamond Growers has opened the Blue Diamond Almond Innovation Center to dedicate research to almond product innovation. Today, Blue Diamond Growers has over 3,000 growers in their cooperative.



### OCEAN SPRAY CRANBERRIES

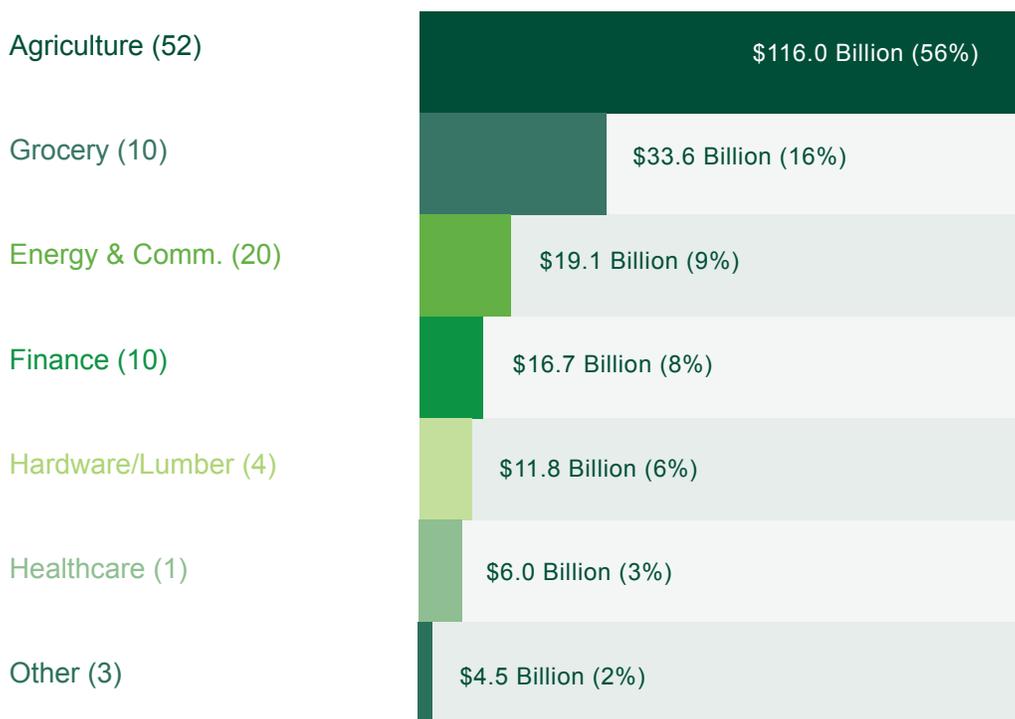
In 1930, three cranberry growers found the key to expanding their success, starting the Ocean Spray Cooperative. Their first product was Jellied Cranberry Sauce, which remains their most popular product. Growers from Wisconsin, Washington and Oregon joined the Ocean Spray family. Not only does the Ocean Spray family have cranberry growers, but in 1976 Florida grapefruit growers joined. Today, Ocean Spray has over 700 grower families across North and South America and are the leading producer of cranberries.

# 6 DIFFERENT TYPES OF COOPERATIVES

- **CONSUMER COOPERATIVES:** These are owned by the people who buy from the cooperative. These cooperatives can provide nearly anything people want – from groceries to electricity to healthcare. Consumer cooperatives can be very small or very large.
- **CREDIT UNIONS:** Every person who deposits money into a credit union account is a member-owner. Many people are turning to credit unions as an alternative to large, for-profit banks.
- **PRODUCER COOPERATIVES:** Members that are engaged in business like farms, artist studios, or fishing boats. These cooperatives may provide supplies, marketing, processing, or insurance, among other services.
- **RETAIL OR PURCHASING COOPERATIVES:** This type of cooperative includes businesses you may recognize, such as Best Western motels, Ace Hardware, and Carpet One. These independent businesses formed cooperatives to increase efficiency in purchasing supplies and/or providing services.
- **SOCIAL COOPERATIVES:** This emerging type of cooperative has a social mission, such as improving working conditions for women or providing health care to a community.
- **WORKER COOPERATIVES:** These businesses are owned by some or all of the workers. They are popular with small groups of attorneys, engineers, restaurants, day cares, and more.

## INDUSTRY REVENUE BY SECTOR

### REVENUE IN BILLIONS OF DOLLARS



## HOW DO COOPERATIVES OPERATE?

Cooperatives around the world all operate using seven principles!

1. Voluntary and open membership
2. Democratic member control
3. Member's economic participation
4. Autonomy and independence
5. Education, training, and information
6. Cooperation among cooperatives
7. Concern for community



[www.illinois.coop](http://www.illinois.coop)

[www.growmark.com/about-us](http://www.growmark.com/about-us)

[www.prairiefarms.com/about](http://www.prairiefarms.com/about)

[www.iaacu.org/member-services/about-iaacu](http://www.iaacu.org/member-services/about-iaacu)



[www.iaafoundation.org](http://www.iaafoundation.org)

[www.agintheclassroom.org](http://www.agintheclassroom.org)