

National Farmers Union

“Cooperatives: The Business of Teamwork”



Section 5: Collegiate and Adults

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Lesson 1: A Brief History of Cooperatives

- Unit Objective:** The cooperative 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 cooperative 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 Cooperatives Provide the Answers worksheet for each student.
- Preparation Needed:** Invite a manager or director of a well-established cooperative to speak to your group. Explain to this person that you are teaching a class on cooperatives 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. Preferably, you will contact a cooperative that was started by Farmers Union members. You may want to ask your county Farmers Union board to share their “institutional memory” to guide you in selecting an appropriate co-op.

Background:

Across the United States and worldwide, cooperatives are integral to the economic vitality of many communities. Cooperatives have been around for hundreds of years, yet early co-ops struggled to succeed. Modern co-ops are thriving partly because of their early organizational support from farm organizations. 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 civilization first began, humans have either competed or cooperated to survive. Civilization is built on cooperation. 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 cooperation. 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 current examples of cooperation. Engage your students in why it was necessary to work with others for the common good. If you have not been given a good example of cooperation, talk about how individuals have voluntarily worked together during floods. People have filled and placed sandbags, donated food, opened 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 cooperation.*
2. *Ben Franklin in 1752 organized the first cooperative in America. The co-op was a mutual fire insurance company and it remains in business today. The first formally organized cooperative may have been the Shore Porters Society of Aberdeen, Scotland. The Shore Porters were in the haulage and storage business, first organizing in 1498.*
3. *The earliest dairy and cheese cooperatives in America go back to 1810. Many of these were local and often short-lived. The concept of working together was obvious, yet the business structure was left to trial and error. This was equally true in other countries. Some cooperative ventures struggled while others survived and thrived. In the 1870s in Denmark cooperative farm and marketing cooperatives flourished because the overall culture supported such*

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business operations.

4. *Cooperation was driven by real needs. It was a logical solution to the challenges people faced. Organized cooperation put down roots all across the world, and especially in Europe during the Industrial Revolution. People of limited means found they could save money by making group purchases of basic necessities. One of these early co-ops became the cornerstone of the modern cooperative movement because of its operating principles. In 1844, 28 weavers contributed one pound each (about \$110) to form a cooperative store in the community of Rochdale. What made this co-op a cornerstone was its adoption of specific principles. These principles proved successful in keeping the co-op focused on its main mission. The Rochdale Principles defined how a cooperative works, from democratic control through each member having one vote to voluntary and open membership. Small cooperative businesses sprang up across Europe.*
5. *The same year, 1844, 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 cooperation as a way to reduce costs. The Grange in 1875 embraced the Rochdale Principles as a sound business approach. Encouraged by the Grange, co-ops began to flourish. And because they had limited resources, many of these co-ops also failed when times got tough. Other farm organizations that supported cooperatives included the Farmers' Alliance (formed from the farm buying clubs 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.*
6. *In 1902, Farmers Union was organized in Texas. As with previous farm organizations, Farmers Union wanted to improve economic conditions for farmers and ranchers. Farmers Union also promoted farmer-owned cooperatives. This time, the cooperative movement took root for good. Farmers Union itself is a cooperative. It happens to be a service co-op. Other types of co-ops are marketing and purchasing (also known as buying or supply co-ops). The example of farmers joining together to buy a large amount of twine represents a type of buying cooperative, although not actually structured as a business. In time, some of these informal cooperative arrangements led to actual formation of purchasing cooperatives. Dairy farmers, grain farmers, and livestock producers all found ways to work together to sell their milk, crops, and meat directly to customers and consumers by forming marketing cooperatives. Service co-ops provide a less tangible but no less important product. Rural electric cooperatives provide utility service, while credit unions provide financial services.*
7. *In part, the cooperative movement was how farmers sought to level the economic playing field that they believed favored large corporations at the expense of individual farmers. Numerous Farmers Union cooperatives were formed in the 1920s, 30s and into the 40s. By working together to form cooperatives, farmers were taking business matters into their own hands. The Farmers Union Terminal Association, a regional grain marketing cooperative, was formed in 1926. A year later the Farmers Union Central Exchange, a regional supply cooperative, was established. Locally-owned Farmers Union cooperatives would pool their orders for twine, salt, 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 cooperatives, which share common history, service areas, and members, merged in 1998 to become CHS, Inc., a Fortune 100 company.*
8. *Farmers Union worked with Congress to develop the Capper-Volstead Act of 1922 that exempted cooperatives from antitrust laws. The law allowed farmers to market their crops cooperatively, providing they did not engage in activities that would be viewed as a restraint of trade.*
9. *During the 1930s, several key legislative actions were taken to further the development of cooperative ventures. The Farm Credit Act of 1933 and Rural Electrification Act of 1936 helped organize and capitalize cooperatives that. 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 cooperatives were formed to meet a need being ignored by established for-profit companies. 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,*

Farmers Union.

10. *The success of these cooperatives is evident in that so many are patronized by third-, fourth-, and even fifth-generation farm and ranch families. Just as the Farmers Union Central Exchange became Cenex and then CHS, local co-ops have merged and changed names.*
11. 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 cooperative 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.
12. 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 cooperatives that has roots in your area.

Sources: National Farmers Union; United States Department of Agriculture; the University of Wisconsin's Center for Cooperatives; the National Cooperative Business Association, *Economic Democracy for the Northern Plains* by North Dakota Farmers Union.

Cooperatives 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 cooperative adopted the _____ Principles

More than 200 years ago, small cooperatives took root in _____

_____ in 1752 began the first cooperative in America

The Farmers Union Terminal Association and Central Exchange became _____

Three types of cooperatives are _____, _____, and _____

The _____-_____ Act exempted co-ops from anti-trust laws

Farm organizations, especially _____ helped start many co-ops

Our speaker said the local co-op was formed in _____

I am a member of the following co-ops:

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

Cooperatives Provide the Answers

All you have to do is fill in the blanks

When people work together for their common good we call it **Cooperation**

In 1844, an English cooperative adopted the **Rochdale** Principles

More than 200 years ago, small cooperatives took root in **Europe**

Benjamin Franklin in 1752 began the first cooperative in America

The Farmers Union Terminal Association and Central Exchange became **CHS, Inc**

Three types of cooperatives are **Supply, Marketing, and Service**

The **Capper-Volstead Act** exempted co-ops from anti-trust laws

Farm organizations, especially **Farmers Union** helped start many co-ops

Our speaker said the local co-op was formed in _____

I am a member of the following co-ops:

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

Lesson 2: Reading an Annual Report

Unit Objective: Many members of cooperatives 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 Anytown Annual Report.

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

Background:

Cooperatives encourage their members to know more about the business operations. Among the best tools cooperatives 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 cooperative 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 cooperative?* Write down their responses.
2. *Cooperative businesses are not operated to lose money. Nor are they operated to make money for members. They are designed to provide goods at low costs or services at low rates. Cooperatives deliver benefits directly to the customers, who also may be known as patrons, members, or users.*
3. *Cooperatives 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. 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 cooperative to buy 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. 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.*
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 cooperatives. 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, cooperatives 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 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 company which may "siphon off" the profits for owners who live far removed from the state.

8. *It has been said by some that cooperatives do not pay taxes. This is not true. For one, cooperatives 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.*
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. *It is 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 cooperatives unique.*
12. *As a member of the cooperative, 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. To determine the correct procedure to do this, contact the manager. Voting members may need to hold a certain level of stock or be required to conduct a minimal amount of business. Spouses of some farmers have been surprised to learn they themselves do not have "their own" stock in the co-op and thus are not qualified to run for the board. Spouses may want to do business in their own name at the co-op in order to hold voting rights.*
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

Lesson 3: Who Put You in Charge?

Unit Objective: Students will learn that cooperatives provide customers with opportunities to actually be involved in the business due to their operating principles.

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.

Preparation Needed: 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 cooperatives 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 cooperative 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-op Principles are a time-tested set of business rules that govern cooperatives. Because of these principles, members are encouraged to 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.

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 the cooperative. 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 cooperatives encourage customers to be involved? It is because they embrace a specific business philosophy. Hand out the Seven Co-op Principles. *Cooperatives operate much like any business. They hire employees, sell products or services to customers, and earn a profit (usually listed as "net savings" in an annual report). One key difference is this profit is returned to members. Cooperatives are owned by their customers (who also are known as patrons or members). The people who use the co-op also enjoy the benefits. Think of it this way: the user is the owner, the user controls the co-op, and the user derives the benefit.*
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? 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?*
4. *We are going to go through these principles. The first principle is voluntary and open membership. Cooperatives are member organizations, yet membership is open to everyone without gender, social, racial, political, or religious discrimination. Remember, cooperatives treat everyone equally so it stands to reason they do not limit membership for any reason.*
5. *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 ownership shares or additional votes. Everyone has an equal voice and an equal vote. 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 members oversees the operations.

6. *The third principle is member economic participation. Simply put, cooperatives 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 business volume during the year. Members who spend the most at the co-op also receive a proportional share of the profits. Cooperatives return some profits in cash, known as a patronage refund, and retain a portion of profits to provide the co-op with working capital.*
7. *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.*
8. *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 cooperatives 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.*
9. *The sixth principle is cooperation among cooperatives. Wherever and whenever possible, different cooperative 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 cooperative business climate.*
10. *The seventh principle is also the newest. Concern for community was added in 1995. Many cooperatives are community-based and locally governed. Through a variety of ways, cooperatives and their employees give back to their hometown communities. Cooperatives invest in the health and vitality of their communities.*
11. *For a cooperative 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.*
12. *Break the students into groups of 5-8, 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 cooperative business.*

Sources: United States Department of Agriculture, KnowledgeStorehouse

The Seven Co-op Principles

Cooperatives around the world generally operate according to the same core principles and values, adopted by the International Cooperative Alliance in 1995. The International Cooperative Alliance is a global membership association of co-ops and co-op support organizations. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844.

1. Voluntary and Open Membership Cooperatives 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 Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.

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

4. Autonomy and Independence Cooperatives 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 cooperative's autonomy.

5. Education, Training and Information Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

6. Cooperation among Cooperatives Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, regional, national, and international structures.

7. Concern for Community While focusing on member needs, cooperatives work for the sustainable development of communities.

Lesson 4: The Economic Impact

- Unit Objective:** Students will learn that cooperatives 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 Needed:** 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 cooperative 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 cooperatives. Together, these co-ops generate more than 856,000 jobs and pay \$25 billion in wages annually. What kind of impact do cooperatives have on the local economy? This lesson will deliver the bottom line dollars and cents benefit of one or more local cooperatives.

Teaching Strategy:

Co-ops can be small in size, yet overall they deliver a big impact locally, across America and worldwide. This lesson will put the local co-op's economic impact into perspective.

1. *People who share a common need for a service or product organize cooperative businesses. Why a cooperative? 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.*
2. *Cooperatives can be small. Some co-ops employ just a few people and serve a few dozen members. Other cooperatives have thousands of employees and serve tens of thousands of members.*
3. *In all, there are 3,200 agricultural cooperatives with a combined membership of 3 million and annual business volume of \$103 billion. Credit unions are financial services cooperatives. 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. Cooperative 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 cooperatives operating in the U.S.*
4. *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. In small rural communities, cooperatives often are the only type of businesses providing goods and services. One reason for this is that cooperatives are not solely motivated by profits of a few investors.*
5. *Here at home, cooperatives are providing services and jobs that otherwise might not exist. Farmers Union is a service cooperative whose mission statement includes education and cooperation. As a cooperative, Farmers Union supports educational programs such as this one for its members, and it is an advocate for cooperative businesses.*
6. *Farmers Union has a long and proud history of being an advocate for cooperatives. Our members helped start hundreds of cooperatives from credit unions to grain elevators. Over the years, these cooperatives have developed their own histories. And, over the years, we sometimes have lost touch with the very cooperatives we helped establish. Today we are going to take steps to recognize the financial contributions of a local cooperative.*

7. *As you know, cooperatives 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 cooperative returns profits to its members. A supply or marketing or service cooperative 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) cooperative'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," and "Donations" as appropriate. Work with your local co-op manager to choose which headings are suitable. You may want to add "Jobs" as another category.*
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. If your county Farmers Union has resources, you could have this tote board professionally constructed of wood or metal and use replaceable number tiles that can be updated yearly.
12. 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.
13. 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, the name of your county Farmers Union organization should be inscribed at the bottom or etched on a plaque attached to the board.

Sources: KnowledgeStorehouse, United States Department of Agriculture.