

National Farmers Union

“Cooperatives: The Business of Teamwork”

Section 4: Grades 9-12

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Optional Activities

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Lesson 1: Great Business Principles

- Unit Objective:** Cooperatives are unique businesses for many reasons. Unlike other businesses, co-ops are owned by their customers and they invite those customers to have a voice in the co-op's priorities. Also, co-ops adhere to a proven set of principles that define how they conduct business.
- Grades:** 9-12
- Length:** 1 hour: 20 minutes for the opening discussion and outline of the seven cooperative principles, 15 minutes for the guest speaker, 5 minutes for snacks, 20 minutes for the Principles To Live By activity and closing discussion.
- Materials Needed:** Whiteboard or flipchart, enough pencils or pens and handouts of the Seven Co-op Principles and Principles To Live By for each student.
- Preparation Needed:** 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:

Cooperatives are a type of business that can and will put people before profits. Because of their unique business structure, cooperatives are more accountable to their customers and their hometown communities. The following business principles are at the heart and history of cooperatives.

Teaching Strategy:

1. *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 10 Commandments, The Bill of Rights; 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.
2. *Why do people want to follow 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.*
3. 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?* 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.
4. *Cooperatives are unique businesses, as they are owned by their customers. The customers together own the business, share the profits, can run for the board of directors, and have a voice in the overall priorities. The International Co-operative Alliance lists seven cooperative principles that are the rules most cooperatives use in conducting their business operations. Let's consider each one.* Hand out the Seven Co-op Principles.
5. *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 (although some co-ops may*

- limit membership to geographic areas or types of employment). Customers are the members.*
6. *The second principle is democratic member control. Usually, 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. 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.*
 7. *The third principle is known as member economic participation. Simply put, cooperatives are designed to return profits to members or otherwise provide services at the lowest possible costs and share the savings. Although members have one vote, the profits are returned based on each member's business volume. Those members who spend the most at the co-op also receive more overall profits based on the amount of services or products purchased. Cooperatives return some profits in cash and retain a percentage of the profits to provide the co-op with working capital in order to grow the business.*
 8. *Autonomy and independence make up the fourth principle. Wow, what does that mean? Well, it means cooperatives are controlled by their members. 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.*
 9. *The fifth principle calls for a commitment to education, information, and training programs for members, managers, employees, and policymakers. Some members do take cooperatives 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 of the value of cooperatives. Co-ops make a special effort to arrange for ongoing educational for each new generation of members. Cooperatives have an obligation to explain to all stakeholders how a co-op works and the benefits of being a member. 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.*
 10. *This may seem obvious, but 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.*
 11. *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.*
 12. *How do these principles work in the real world? Let's find out. Introduce your speaker and offer a brief explanation of the purpose of his or her cooperative. 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 cooperative address concern for community? What is your favorite principle and why? Do you believe your customers trust your business more because of these principles? Is it easier or harder to manage a cooperative because the customers own the business? When either the questions or time runs out, thank your speaker for taking time to visit with your students.*
 13. *Serve snacks that include products made by cooperatives such as milk, cheese, and orange or cranberry juice. The actual selection will depend on what products are available in your area. Did you know many rural cooperatives were started by Farmers Union members? Some of these cooperatives are 50 years old, a few are more than 80 years old. These co-ops range from rural electrics to CHS.*
 14. *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. 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.*
 15. *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.

16. *Principles may also be thought of as policies. Farmers Union is a grassroots organization. That means we want all our members to be involved, especially in recommending policies. Farmers Union's policies are written by the people who show up, stand up, and speak out just as you have done today. Co-op principles were developed by people who got together just like you to find a better way to conduct business.*

Sources: National Farmers Union; USDA; the University of Wisconsin's Center for Cooperatives; the National Cooperative Business Association

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 and how they will conduct their lives. Some of these apply to faith 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 new principle:

All individuals should live their personal lives by this principle:

In competitive sports, the most important principle should be:

To work well, should principles be mandatory or voluntary?

Name one well-known principle that has stood the test of time

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, national, regional and international structures.

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

Lesson 2: Rural, Urban, Dairy, Daycare

- Unit Objective:** Cooperatives can be found around the corner and around the world. Each year a new crop of cooperatives take root. Other co-ops have been serving members for more than 100 (and in some cases even more than 200) years. This session delves into the many types of cooperatives and their overall history.
- Grades:** 9-12
- Length:** 1 hour: 40 minutes for discussion on cooperative history, types and sectors, 5 minutes for the snack, 15 minutes for the What Is it and Trivia worksheets.
- Materials Needed:** Whiteboard or flip chart, handouts, snacks from cooperative businesses.
- Preparation Needed:** 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. cooperative 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 cooperatives in America's heartland. Many co-ops have their roots in rural communities and agriculture. Cooperatives may also be found in the largest cities. Housing and daycare cooperatives 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 cooperative businesses have been around for 50 years, 75 years, 100 years, and in some cases more than 200 years. One cooperative started in 1752 by Ben Franklin continues in operation today, making it more than 250 years old. The Rochdale Equitable Pioneers in England was formed in 1844 and set the business standards used by almost all cooperatives to this day.*
2. *Cooperatives in the U.S. 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.*
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 cooperatives. They saw a cooperative business as something they would control, rather than a business that controlled them. The growth of cooperatives and the growth of farm organizations went hand-in-hand. In the 1875, a farm group called the Grange adopted rules by which to run cooperative businesses. 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. Buying twine was an early example of a cooperative 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 cooperatives 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 was organized in Point, Texas. Farmers Union organizations soon grew in other states. In 1903 Farmers Union formed its first marketing cooperative. The 1920s and 30s were a time of explosive growth of new cooperative businesses. Thanks to Farmers Union members, many farmer-owned cooperatives were formed. There were (and still are) locally-owned Farmers Union Oil and 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 cooperative. It bought farm supplies in bulk and passed the savings along to farmers. Both the Central Exchange and Terminal Association were regional cooperatives that were owned by the local Farmers Union cooperatives. 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 cooperatives. Regional cooperatives operated oil refineries and shipped fertilizer and fuel by the trainload. Local and regional cooperatives worked for the benefit of farmers and ranchers.*
7. *Farmers Union members of the 1920s and 30s actively started many other cooperatives. They organized cooperative 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 cooperative 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 cooperatives to serve their members. In more recent years, numerous locally-owned Farmers Union cooperatives 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 cooperatives. The Farmers Union Grain Terminal Association became Harvest States, while the Farmers Union Central Exchange became Cenex. These two regional co-ops merged in 1998 to become CHS, Inc., which is one of the largest co-ops in the world and a Fortune 500 company. Federal Land Bank and Production Credit Association became Farm Credit Services.*
8. *There are three main types of cooperatives: Marketing, Purchasing, and Service. Farmers buying a large amount of twine and sharing the shipping cost is an example of purchasing. Purchasing cooperatives 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 cooperatives. Another example is Recreation Equipment Incorporated (REI), a consumer cooperative whose stores feature outdoor gear. Land O' Lakes provides low-cost, high-quality feed to livestock producers, making it a type of supply cooperative. ACE Hardware purchases home improvement tools and supplies in bulk to be sold to local stores. Even hospitals and fast food franchises have formed buying cooperatives to obtain supplies at lower costs. (NOTE: Do your research in advance so you are able to name one or more local or regional purchasing cooperatives that serve your area)*
9. *Marketing cooperatives focus on selling 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. Land O' Lakes takes milk from dairy farmers and processes it into cheese, milk, margarine and butter. Blue Diamond packages almonds and other nuts provided by its members for consumers. Farmers Union and Harvest States grain elevators sell crops for their members. The North American Bison Cooperative processes and markets Dakota Farms Natural Beef and TenderBison products. Some of the newest cooperatives in*

America are known as value-added co-ops. These are marketing co-ops that process items provided by members such as milk or beef or wheat into consumer products such as ice cream, steaks, and bread.

(NOTE: Do your research in advance so you are able to name one or more local or regional marketing cooperatives that serve your area).

- 10. Service cooperatives are among the easiest to recognize as they provide a service for their members. Common service cooperatives are rural electricians, rural telephones, credit unions, and Farm Credit Services. Many communities have cooperative daycares, cooperative health care facilities, and cooperative housing. In Minneapolis, 7500 York Cooperative was formed in 1978 as the first senior housing cooperative in the U.S. In some states, mutual Farmers Union Insurance companies operate much like a cooperative, being owned by the policyholders who vote at the annual meeting and can run for the board of directors.*
- 11. A few co-ops do it all. They may market grain for farmers, sell fuel to farmers, and provide agronomy services as well. 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)*
- 12. We have a just a few more things to learn. Cooperatives are local, regional, national, or international in their service areas. Cooperatives may also be categorized as centralized, federated or mixed. A centralized cooperative is made up of individual members and have one board and one manager. Federated cooperatives may have other cooperatives as members. An example is the National Cooperative Refinery of which CHS is a member. Federated cooperatives are a way for existing cooperatives to combine their resources to accomplish something they cannot do on their own. Mixed cooperatives can have both individuals and other cooperatives as members. CHS and Land O' Lakes are mixed cooperatives. They also are regional cooperatives.*
- 13. Lastly, cooperatives can be classified according to the business sectors that best define their main area of focus. These sectors include agriculture cooperatives, worker cooperatives, housing cooperatives, grocery or food cooperatives, power and telephone companies (utilities), child care and preschool cooperatives, health care maintenance organizations, and financial cooperatives.*
- 14. It is time for a snack. Serve snacks that are made by cooperatives: be sure to point these products out to your students. Examples include milk or cheese, orange or cranberry juice, and other similar items.*
- 15. Hand out the "What Kind Of Co-op" worksheet. Read the directions to the students and allow them to fill it out.*
- 16. Review the answers for this worksheet. Use the opportunities to further discussion of cooperatives and their impact in your hometown.*
- 17. 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 cooperatives, if any.*

Source: USDA, National Cooperative Business Association, KnowledgeStorehouse

What Kind Of Co-op?

Identify the following cooperatives as S (Service), P (Purchasing) M (Marketing), or O (Overlapping) in meeting the needs of their members at left of the description, and what business sector they are in at right using A (Agriculture), W (Worker), F (Food), H (Housing), U (Utilities), D (Daycare), or C (Credit Unions and Financial Services).

CHS provides fuel and fertilizer to farmers, and also markets grain for its members.

Evergreen Cooperative Laundry of Cleveland is owned by its employees. It provides dry cleaning services for customers.

Sunkist takes oranges provided by farmers, processes them into juice, and sells the finished product in grocery stores.

CoBank, one of the largest and oldest cooperatives in the U.S., provides funds to local agricultural and financial cooperatives.

Mississippi Market Natural Foods Co-op is a consumer-owned and controlled cooperative grocery store in the Twin Cities. It features organic foods grown or raised using sustainable practices.

Tillamook Cheese is an Oregon-based cooperative of 110 dairy farmers, many who are third-generation members. The co-op produces a variety of cheese products.

The Associated Press is formed in 1900 as a cooperative that allows member media outlets (predominately newspapers at that time) to share stories for use by other member media.

Basin Electric is an electrical generation and transmission cooperative owned by 135 rural electric cooperatives. In effect, Basin Electric provides wholesale electricity to cooperatives that deliver power directly to members.

REI sells hiking, camping, and other outdoor equipment to members.

Farm Credit Services provides operating loans to farmers and ranchers.

Berkley Student Cooperative is made up of 1,250 college students living in 20 student housing cooperative buildings near a California college campus. Each house is democratically run and keeps college housing costs affordable for students.

Knee High Day Care Cooperative in Indiana is run and staffed by the parents of the children who go there.

Land O Lakes processes milk into butter and other dairy products that it sells in retail grocery stores. The co-op also provides nutritional advice and livestock feed to dairy farmers.

What Kind Of Co-op? Answer Key

Identify the following cooperatives as S (Service), P (Purchasing) M (Marketing), or O (Overlapping) in meeting the needs of their members at left of the description, and what business sector they are in at right using A (Agriculture), W (Worker), F (Food), H (Housing), U (Utilities), D (Daycare), C (Credit Unions and Financial Services), or O (Other).

O & A CHS provides fuel and fertilizer to farmers, and also markets grain for its members.

S & W Evergreen Cooperative Laundry of Cleveland is owned by its employees. It provides dry cleaning services for customers.

M & A Sunkist takes oranges provided by farmers, processes them into juice, and sells the finished product in grocery stores.

S & C CoBank, one of the largest and oldest cooperatives in the U.S., provides funds to local agricultural and financial cooperatives.

S & F Mississippi Market Natural Foods Co-op is a consumer-owned and controlled cooperative grocery store in the Twin Cities. It features organic foods grown or raised using sustainable practices.

A & M Tillamook Cheese is an Oregon-based cooperative of 110 dairy farmers, many who are third-generation members. The co-op produces a variety of cheese products.

S & O The Associated Press is formed in 1900 as a cooperative that allows member media outlets (predominately newspapers at that time) to share stories for use by other member media (television, radio, and newspapers today).

S & U Basin Electric is an electrical generation and transmission cooperative owned by 135 rural electric cooperatives. In effect, Basin Electric provides wholesale electricity to cooperatives that deliver power directly to members.

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O & A Land O Lakes processes milk into butter and other dairy products that it sells in retail grocery stores. The co-op also provides nutritional advice and livestock feed to dairy farmers.

Cooperative Trivia

Many cooperatives 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. The Federal Credit Association C. Farm Credit Services

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

- A. Best Business Practices B. Rochdale Principles C. Robert's Rules of Order

Many cooperatives were started in rural America because:

- A. Cities were crowded B. Taxes were lower C. Farmers wanted a better way of life

Regional cooperatives were big enough to provide:

- A. Services and products requiring major investments B. Free pens C. Coupons

Cooperatives want their members to:

- A. Stay away from the annual meeting B. Be involved C. Shop anywhere

The profits from cooperatives are:

- A. Typically lost on Wall Street B. Taken by investors C. Returned to members

By working cooperatively, 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 cooperatives, including:

- A. The National Guard B. Day cares and retirement homes C. Car companies

Membership in a cooperative is restricted based on:

- A. Nothing, membership is open to all B. Hair color C. If your parents are members

Cooperatives are categorized as Service, Purchasing, or:

- A. Mining B. Science C. Marketing

Cooperative Trivia Answer Key

Many cooperatives were formed by farm organizations including:

- A. **Farmers Union** B. Farm Holiday Association C. Prairie Sons

The name Cenex was derived from:

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Cooperatives are categorized as Service, Purchasing, or:

- A. Mining B. Science C. **Marketing**

Lesson 3: Concern for Community

- Unit Objective:** A key cooperative principle is Concern for Community. Students will team up with a local cooperative 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 Needed:** The materials list will depend on what specific project your students undertake. These may include safety glasses and gloves to buckets.
- Preparation Needed:** This specific activity requires you to work with a local cooperative and, where practical, your local or county Farmers Union organization. This project may require you to meet at a local cooperative to participate in a “Concern For Community” Service Project. Specifically, this project will be aimed at raising funds for the Feeding America project. Funds raised for this project will be matched by the Howard G. Buffett Foundation working cooperatively with the National Farmers Union (NOTE: For details, go to www.nfu.org and also note that the Buffett match is only good through March 1, 2012). All funds generated will be targeted by ZIP code to food banks that serve hungry people in your community. See guidelines below.

Background:

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

Teaching Strategy:

1. Meet your students at the cooperative 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). *Cooperatives operate much like any businesses. They hire employees, sell products or services to customers, and earn a profit. There are several important differences. One, cooperatives are owned by their customers who also are known as patrons or members. Two, Cooperatives return their profits and other benefits to their members. 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?*
4. *Today we are going to do a service project with our local cooperative.* Explain the project in detail, along with any requirements regarding safety equipment and procedures. Introduce anyone from your Farmers Union organization and/or the cooperative with whom you will work. Maintain an enthusiastic and positive attitude during the event.
5. If time allows, have your students go to <http://feedingamerica.org/hunger-in-america/hunger-facts/quiz.aspx> and take the hunger quiz to learn more about Feeding America.
6. *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 and at the co-op's annual meeting.*

Sources: KnowledgeStorehouse

Concern for Community

Identify one or more of your local cooperative (CHS, Farmers Union, Rural Electric, Credit Union, Grocery Co-op, or other). Focus first on cooperatives that have a current or historic relationship with your county or state Farmers Union organization. Lacking such a co-op, approach one for which a Farmers Union member is a director, or one that has a history of supporting community projects. Another option is to look for a regional cooperative that has business operations in your state.

At least one month in advance of this session, meet with the manager. Explain that you are teaching a Farmers Union-sponsored class on cooperatives to local students in grades 9-12. Tell the manager you specifically want to focus on the Seven Co-op Principles and mostly on the Care For Community Principle. Say your students would like to work on a Concern For Community activity on behalf of the Co-op. Let them know your preference is an activity that raises money for Feeding America. For every dollar that Farmers Union raises, the Howard G. Buffett Foundation will match until March 1, 2012. These dollars will be given to a food bank that serves the co-op's area. After March 1, the dollars can be donated directly to a local food bank, however the funds will not be matched by the Buffett Foundation.

Possible projects could be cleaning up the co-op's facility; painting equipment; holding a car wash (or washing the co-op's vehicles); organizing and hosting an open house for Co-op Month in October; setting up a display and offering free samples of co-op products in a grocery store. The project should bring visibility or benefit to the co-op, and should allow the students to raise money for Feeding America. Your Farmers Union organization may help by providing additional volunteer help, or by purchasing any materials needed to conduct this project. Your offer may inspire the co-op to proceed with a project it already has considered. The cash raised might come from the co-op itself, or from public contributions (as in the case of a car wash).

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.

If possible, arrange on the day of the event to have the local newspaper take a photograph. Give the reporter the basics: *Farmers Union students are learning about cooperative businesses and the seven co-op principles including Concern for Community. The students are working with (NAME) Cooperative to raise money doing (PROJECT). The Warren G. Buffet Foundation will match the (\$AMOUNT) raised by Farmers Union youth for the local food bank.*

Lesson 4: Big Numbers, Big, Impact; Yet In Business Just For You

- Unit Objective:** Students will gain an appreciation for how much cooperatives contribute to their lives and to the quality of life here and worldwide. They will discover that local cooperatives are ready to meet their needs.
- Grades:** 9-12
- Length:** 1 hour: 10 min. for introduction of lesson
- Materials Needed:** Whiteboard or flipchart, pens and note paper for your students.
- Preparation Needed:** Invite two and no more than three spokespersons to explain how their cooperative can provide services for high school students. Local credit unions may provide accounts for new or young members; the local Cenex affiliate may offer pizza or subs through its convenience stores; rural electric and telephone cooperatives may offer cutting-edge technology, and REI sells snowboards and skis. 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, nearly 30,000 businesses operate as cooperatives. These co-ops 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. Co-ops can be small in size, yet overall they are big business in America and worldwide. And, they often are essential businesses serving members who otherwise would have few, if any, options for certain services.

Teaching Strategy:

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. *One of the largest co-ops in the U.S. is CHS. Headquartered in St. Paul, Minn., CHS provides employment for nearly 9,000 people. CHS is a Fortune 500 company. 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. Cooperatives not only are big businesses, in many small rural communities, cooperatives 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. Another reason is many co-ops were started in small rural communities. Other than through mergers, co-ops do not move from town to town selectively looking for the most profitable business opportunities as some other business do.*

5. *Cooperative businesses are vitally important to America's economy. Here at home, cooperatives are contributing to our quality of life. They are providing services and jobs that otherwise might not exist. Your parents may be members of several cooperatives. Can you think of cooperatives that you use? Can you become a member of a cooperative at your age?* Use these questions to generate discussion on this topic. *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. Your parents belong to Farmers Union, so you too are members.*
6. 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 cooperative and a brief description of the cooperative'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.
7. Introduce your second speaker. At the conclusion, thank your speaker and lead the applause.
8. 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.
9. Not everyone knows why being a member of a cooperative 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.
10. 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 the votes cast for each example. In this way you will cooperatively choose the top three recommendations.
11. As a group, you will produce a YouTube video that can be posted on your state Farmers Union's website. This could be as simple as making a videorecording of your group or as elaborate as writing out a storyboard of each scene and obtaining video of the exteriors of area cooperatives (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, "Cooperatives, the business of teamwork." Think of what you want the audience to do with your message. You may want to incorporate your guest speakers in this production.
12. Some of your students may have experience in YouTube productions. Let them share their expertise and ideas.
13. Here are a few tips about YouTube videos. You can use a digital camera, web cam, 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 Window's MovieMaker. 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.
14. When the file is ready, post it to YouTube in cooperation with your state Farmers Union education director. Talk to your education director first to determine the best way to do this. Some cooperatives may also want to post a link to this image on their websites.

Sources: KnowledgeStorehouse, North Dakota State University's Burdick Center for Cooperatives, KinderArt, eHow.



Optional Activities

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

1. Ask your state education director to assist you in coordinating an on-line Skype connection to a similar group in another state. Use this interactive approach to discuss the different type of cooperative businesses in other areas of the country. For example, South Dakota students could visit with members of the New England Farmers Union. Students in Minneapolis could explain REI to students in North Dakota. This will require a computer with a built in camera, an internet connection, and another class willing to match your schedule (allow for time zone differences).
2. Ask one or more of your local co-ops to donate a bag with a few non-perishable products. If the co-op has bags with its logo, great. Many food co-op will have such bags. Use these items to make a display for your local library during October (National Co-op Month) or your county or state Farmers Union's annual meeting. This display will showcase the items and services available from local or regional cooperatives. Include a small poster of the Seven Co-op Principles.
3. Prepare name tags for your students that include your county or state 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.
4. Teach some Farmers Union songs. Provide an opportunity for the kids to sing the new songs they have learned to another group.