



About Farmer Cooperatives

What is a farmer cooperative?

Farmer cooperatives are businesses owned by farmers and ranchers who have been producing food and responsibly caring for their land and animals for generations. Through their co-ops, farmers are empowered, as elected board members, to make decisions affecting the activities of the co-op.

Farmer co-ops are a proven tool to help individual family farmers and ranchers through the ups and downs of weather, commodity markets, and technological change. Through their co-ops, producers are able to better manage risks, strengthen bargaining power and improve their income from the marketplace, allowing farmers to compete globally in a way that would be impossible as an individual producer. By pooling the buying power of hundreds or thousands of individual producers, farmer co-ops are able to supply their members—at a competitive price—with nearly every input necessary to run a successful farming operation, including access to a dependable source of credit. Farmer co-op members also are able to capitalize on new marketplace opportunities, including value-added processing, to meet changing consumer demand.

The farmer-owned cooperative business model is fundamentally sustainable. While farmers themselves have been working over generations to ensure their family businesses endure over time, co-ops make this easier for them to achieve by providing innovative tools, technology and educational opportunities. In order to be more productive, efficient and profitable, farmer co-ops and their member-owners are continuously improving the ways they run their businesses.

Why do we need farmer co-ops?

There are now nearly 3,000 farmer co-ops in the U.S. whose members include a majority of our nation's more than 2 million farmers. Through their local co-ops, farmers and ranchers pool their resources to strengthen their individual bargaining power to compete in today's global marketplace. A farmer may have 40 acres of oranges or 4,000 acres of soybeans, but as a member of a cooperative, they are able to accomplish things that no individual farmer could do on their own.

Farmer co-ops are the lifeblood of rural America. Through the ups and downs of weather, commodity markets and technological change, co-ops are a proven way to secure a farming business. They provide a dependable and competitive way for farmers to finance their operations. They also sustain our rural economy by operating a payroll in excess of \$8 billion and provide reliable source of employment for over 300,000 Americans.

Types of Farmer Co-ops

Marketing co-ops - handle, process, and market virtually every commodity produced in the United States.

Bargaining co-ops - negotiate on behalf of their farmer members to obtain reasonable prices for their commodities.

Farm supply co-ops - engage in the manufacturing, sale, and/or distribution of farm supplies, inputs, and fuels.

Credit co-ops - provide farmers and their cooperatives with a competitive source of credit and other financial services, including export financing.

NATIONAL COUNCIL OF FARMER COOPERATIVES

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