

Cooperatives Build a Better World

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The theme of this year's Cooperative Month is "Cooperatives Build". That theme certainly resonates in rural America. Agricultural cooperatives in Oklahoma, as in other states, have been making major investments in infrastructure and equipment. Members notice the big projects but probably don't think about how their cooperative is continually investing to meet their future needs. Cooperatives are more than just the buildings and equipment that provide inputs, market commodities and distribute a wide range of services. Cooperatives are engines of economic growth. The cooperative business model is dynamic and flexible. The first recognized U.S. cooperative, which was established by Ben Franklin, is still in existence. New multi-stake holder cooperative have sprung up in which agricultural producers, workers and consumers are all members.

Globally, cooperative membership is estimated at 1 billion people, generating revenues of \$1.6 trillion and over 100 million jobs. Cooperative businesses have substantial presence in diverse sectors including agriculture, finance, consumer products, insurance and health care.

Cooperatives allow their members to pool their resources to achieve a critical mass and achieve size and scope in the marketplace. At the same time, cooperatives give the smallest operator the opportunity to improve their output and income. Cooperatives are part of the backbone of rural communities. Cooperatives stabilize communities because they distribute, recycle and multiply capital within the community.

Cooperative businesses have lower failure rates relative to traditional corporations and small businesses. Around 10% of new cooperatives fail within their first year while 60-80% of investor owned businesses fail to reach their first anniversary. After 5 years, 90% of the cooperatives that made it to year 1 are still in operation while only 3-5% of traditional businesses are still operating after 5 years. Almost 30,000 cooperative firms operate in the U.S. out of 73,000 locations with \$2 trillion in assets. Our cooperative industry generates over \$650 billion in revenue and creates over 2 million jobs. In Oklahoma, agricultural cooperatives create over \$685M of economic activity on an annual basis through their expenditures and profit distribution. Oklahoma's agricultural cooperatives distribute over \$12M of profits back to members. The total economic impact of Oklahoma's agricultural cooperative sector, including the multiplier effect was over \$1.1B. When Farm Credit, Rural Electric and other rural cooperatives are included the total economic impact is over \$2.4B.

Remind your members that their patronage is allowing you to build a better cooperative and all of our cooperatives are building a better world!

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