

Membership is Ownership

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The Rochdale Pioneers adopted a series of laws, objectives, practices and procedures that assured their economic success. However, they never actually adopted as a group the specific set of principles known historically as the Rochdale Principles. Almost every major writer of the history of the Rochdale Pioneers has his or her own list of what the principles were, and each list is different both in content and number. With that being said, The Rochdale pioneers did strongly feel that cooperative members should be owners. One version of the principles states “Capital shall be of their own providing and have a fixed rate of interest not to exceed 8%.” \

Over time the U.S. cooperative model has deemphasized the ownership role. Very few U.S. agricultural cooperatives, particularly local cooperatives, pay any dividends on invested capital. The original concern of not overemphasizing the ownership return has become eliminating any direct return to ownership. The combination of long equity revolving periods and the tradition of issuing qualified stock which is taxable when received, has further dampened perceptions of the ownership role. Agricultural cooperatives have been slowly transitioning toward greater portions of unallocated equity. The members still collectively own the cooperative but an individual member will never realize any value from that ownership portion unless the cooperative is dissolved.

Perhaps it is time that we rediscovered and promoted the fact that cooperative members are also owners.