

Cooperative Services

USDA has the unique responsibility of coordinating Federal assistance to rural areas of the nation. The Rural Development mission is to help rural Americans to improve the quality of their lives.

Rural Development works to make sure that rural citizens can participate fully in the global economy – with technical assistance and programs that help rural Americans build strong economies to improve their quality of life.

What Is a Cooperative?

User-owned cooperatives process and market products, purchase production supplies or consumer goods, provide housing and credit, build and operate rural utilities, and provide other services needed by rural residents. By working together for their mutual benefit in cooperatives, rural residents are often able to reduce costs, obtain services that might otherwise be unavailable, and achieve greater returns for their products. Cooperatives, both rural and urban, have been part of the American economy for more than 100 years. By one estimate, nearly one-third of the population belongs to some type of cooperative. Application of the cooperative business structure in rural economies is virtually limitless.

How USDA Helps Rural Cooperatives

Rural Development helps rural residents form new cooperative businesses and improve the operations of existing cooperatives. To accomplish this, Rural Development's Cooperative Programs provides technical assistance, conducts cooperative-related research, and produces information products to promote public understanding of cooperatives.

For most of the past century, USDA's cooperative assistance has been concentrated on agricultural cooperatives. While agricultural marketing and supply cooperatives remain a primary focus of USDA's efforts, Rural Development research and co-op educational products help all types of rural cooperatives.

Cooperative Development Assistance

Rural Development provides a wide range of assistance for people interested in forming new cooperatives. This help can range from an initial feasibility study to the creation and implementation of a business plan. Cooperative Programs staff includes cooperative development specialists who do everything from identifying potential cooperative functions to identifying best business and governance practices. They also provide training for cooperative directors.

Rural Development strives to provide a realistic view of what it will take to make a new cooperative succeed. Staff members may also work in conjunction with cooperative development specialists in some of USDA Rural Development's State Offices around the Nation.

Technical Assistance

Cooperative Programs provides technical assistance to existing cooperatives facing specific problems or challenges. Technical assistance could include helping a cooperative develop a strategic marketing plan to cope with new competitive forces, helping a co-op make a crucial decision whether to merge or form a joint venture with other cooperatives, or in finding a way to turn the raw products of cooperative members into value-added products. These matters are often crucial issues not only for a cooperative, but also for the rural communities in which they operate.

Cooperative Programs can help improve a cooperative's business structure and operating efficiency by analyzing operations, assessing the economic feasibility

ty of adding new facilities, new products or services. Studies cover the full range of decisions facing cooperative businesses. Technical assistance is largely designed to benefit a specific cooperative business or group. However, the results often provide business strategy for all cooperatives.

Research

Cooperative Programs conducts research to provide a knowledge base to help cooperatives deal with changing markets and business trends. Studies include financial, structural, managerial, policy, member governance, legal, and social issues, as well as various other economic activities of cooperatives.

Research is designed to have direct application to current and emerging requirements of cooperatives. A major challenge is to analyze industry structure and cooperative operational practices to determine the changes required to maintain or achieve a producer-oriented marketing system. Research studies have focused on capitalization plans used by cooperatives, identification of new niche markets for cooperatives, and opportunities and obstacles cooperatives face when exporting goods overseas.

Education and Information

The Cooperative Marketing Act of 1926 mandates that USDA "...promote the knowledge of cooperative principles and practices and cooperate in promoting such knowledge with educational and marketing agencies, cooperative associations, and others." To meet this goal, USDA provides a wide range of cooperative training programs and educational materials.

Cooperative Programs maintains a storehouse of information about cooperatives which it makes available to the public through more than 150 research reports, educational publications, and videos covering all aspects of cooperative operations. A bimonthly magazine, *Rural Cooperatives*, reports significant achievements by cooperatives and highlights of Cooperative Programs research, technical assistance, and educational activities.

History and Statistics

Cooperative statistics are collected to detect growth trends and changes in structure and operations of the Nation's farmer-owned cooperatives. Data help identify and support research and technical assistance activities. This information is used extensively by legislative and executive branches of government in formulating agricultural and cooperative-related policy.

For More Co-op Information

For further information or assistance for cooperatives, contact:

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