

Bridging the Generations within Agriculture

For High Performance Cooperatives

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Why are we here?

The Purpose of this Workshop is to put the **member loyalty** pieces together...

Correctly!

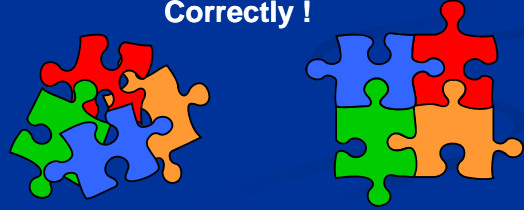


Figure 1. Percentage Change in Texas Population by County: 1990 to 2000

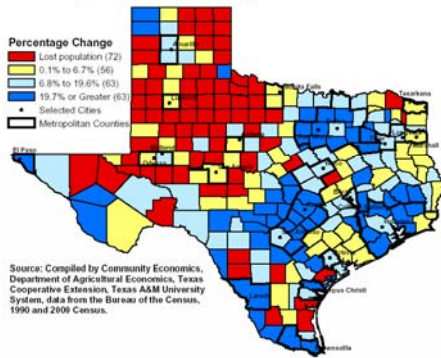


Figure 4. Percentage of the Texas Population 65 Years of Age and Older: 2000

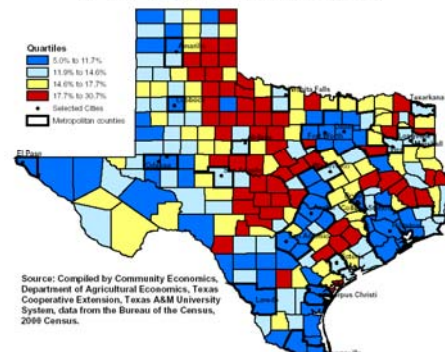
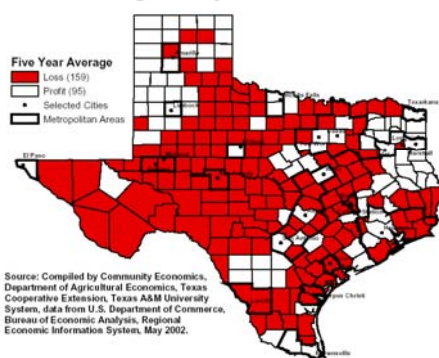
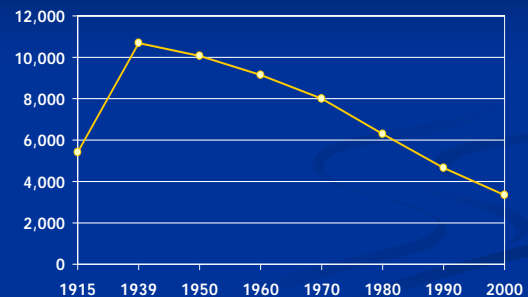


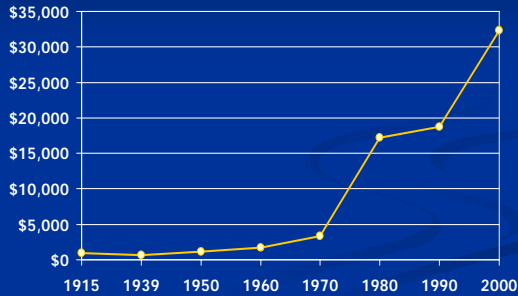
Figure 6. Average Net Farm Income Less Farm Program Payments: 1996 - 2000



Number of Cooperatives



Net Revenue per Member



Times Have Changed

- Down on the farm
 - Number of farms has grown in only two categories
 - 10-49 acres
 - Over 2,000 acres
 - 27.2% of operators are women
 - Hispanic principle operators have grown by 50.8% since 1997
 - Black principle operators have grown by 8.8% since 1997
- Handling and processing
 - Fewer, larger firms
 - Consolidation
 - Increased supply needs
- Are modern cooperatives ready to meet the needs of the next generation of farmers?



What does this mean for cooperative membership?

- Impacted by urbanization
- Impacted by farmer age
- Impacted by Farm Bill
- Complexity of membership
 - Bigger decisions to be made
 - Bi-polar disorder?
- Loyalty Dispersion



What do you think determines a member's loyalty?

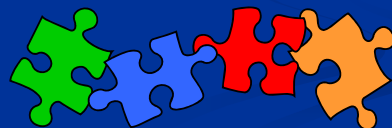


A Membership Metaphor

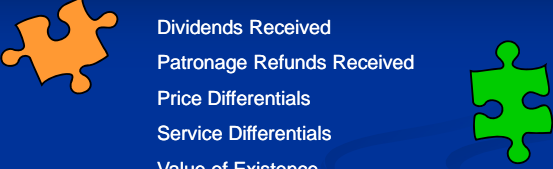


Piecing It Together

An Interactive Discussion



What is a member's **real** ROE?



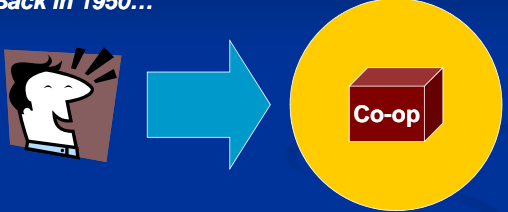
- Dividends Received
- Patronage Refunds Received
- Price Differentials
- Service Differentials
- Value of Existence

+ Value of Risk Management Activities

= Member's Co-op Equity Investment

Wait! Not ROE, but RFB

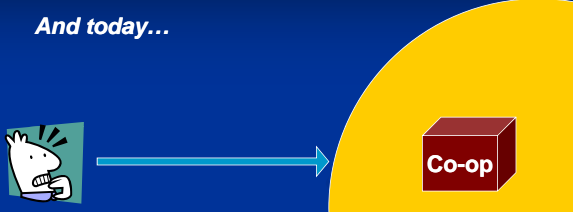
Back in 1950...



Sense of Self **Ties to Co-op** **Competitive Environment**

Wait! Not ROE, but RFB

And today...



Sense of Self **Ties to Co-op** **Competitive Environment**



Your help in completing the member loyalty puzzle is greatly appreciated.

Send us your ideas!

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