

NEWS RELEASE
Rural Development
Suite 308, Federal Building
100 Centennial Mall North
Lincoln, Nebraska 68508
Voice 402.437.5563
Email: Vicki.schurman@ne.usda.gov
Web: <http://www.rd.usda.gov/ne>

Contact: Vicki Schurman (402) 437-5563

USDA Rural Development Provides Assistance to the University of Nebraska-Lincoln's
Nebraska Cooperative Development Center

LINCOLN, NE December 20, 2016--From its beginning in 2000, the University of Nebraska-Lincoln's Nebraska Cooperative Development Center (NCDC) has provided education, training, and technical assistance to cooperatively owned businesses.

NCDC has been funded in part through USDA Rural Development's Rural Cooperative Development Grant (RCDG) program and Socially-Disadvantaged Groups Grants (SDGG) program. NCDC works with groups who have incorporated or have an interest in forming cooperatives, LLCs and other "multi-owner" businesses.

Cooperative Business Development Specialist Jim Crandall provided the following information about cooperative business development projects. The projects include the marketing of value-added agriculture products, marketing and distribution of local foods, and the establishment of community-owned retail stores on Main Street in rural towns.

The idea of people working together for a common cause, especially in small towns, has many appealing components that make its use in rural areas easily accepted and embraced. The cooperative model concentrates on the "user owned", "user-controlled", and "user benefited" concept of business activities.

Farmers and ranchers work together to market their production to a variety of customers. Products range from beef, pork, chicken, goats, fish, ostrich and dairy products, to fruit, grapes and wine, and colorful woody florals; to hay, nuts, edible beans and organic grains. Other projects using the cooperative model have included grocery stores, variety stores, convenience stores, cafes, clothing stores, hunting and recreation, and various trade associations, child care and livestock sale barns.

A cooperatively owned business can solve the succession problem so common with many privately-owned businesses. The cooperative or LLC is perpetual in existence and ownership shares can be transferred or passed on, the business can outlive the originators without difficulty. Worker-owned or housing cooperatives are being used in other states, modular home parks and apartment buildings are potential housing cooperatives.

The uniqueness in the NCDC approach is that all the businesses assisted are developed and organized as multiple owner establishments, primarily cooperatives and Limit Liability Companies (LLCs). There is an increased incidence of shared ownership of main street

businesses in Nebraska, some as cooperatives but many as an LLC or other organization. For example, a LLC may own the only restaurant in town, the local movie theater, a convenience store/gas station, or variety store.

There has been considerable interest in using a cooperative to own the local grocery store in several rural Nebraska towns. Keeping the grocery store open in a small town is a real challenge. When the grocery store closes, other businesses in town suffer. The loss of a grocery store often means that a rural community also loses tax revenue and a primary social hub. A grocery store helps bring people to town, who then patronize other businesses. NCDC, based in the Agriculture Economics department at the University of Nebraska-Lincoln, is working with several grocery store efforts across rural Nebraska.

People build cooperatives. Cooperatives build jobs, trust, communities, opportunity and hope. Cooperatives provide 2.1 million jobs in the U.S. and create annual wages of over \$75 billion. Cooperatives build a better world.

For assistance with developing a cooperatively owned business in your community contact the Nebraska Cooperative Development Center (NCDC) at the University of Nebraska-Lincoln, Cooperative Business Development Specialists Jim Crandall 308-885-3889 jcrandall@unl.edu or Elaine Cranford 402-472-1748 ecranford2@unl.edu.

USDA Rural Development provides assistance to NCDC through the Rural Cooperative Development Grant (RCDG) program and the Socially-Disadvantaged Groups Grants (SDGG) program. For more information on Rural Development programs contact Deborah Drbal, Business Programs Specialist at 402-437-5558 deborah.drbal@ne.usda.gov or learn more about Rural Development programs at <http://www.rd.usda.gov/publications/fact-sheets>.

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