

# THE KENTUCKY COOPERATOR

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KENTUCKY CENTER FOR COOPERATIVE DEVELOPMENT

## Kentucky and Tennessee “Cooperate” on Programs

KCCD continues to work with other state agricultural development centers to provide cooperative education and technical assistance. In 2003, KCCD and the University of Tennessee Center for Profitable Agriculture (CPA) discovered similar needs and have worked collaboratively on cooperative development in the two states.

CPA developed a cooperative initiative in Tennessee. This initiative was designed to conduct educational programs to improve the understanding of cooperative forms of business organization, conduct training sessions for agricultural leaders and educators, conduct strategy sessions with producer groups considering the cooperative form of business organization, develop and disseminate printed and web-based cooperative development educational information and provide analytical work regarding Tennessee’s new processing cooperative law.

Phase II of the cooperative initiative was

completed in October 2005. Phase II was designed to allow for additional technical assistance and training to be provided to Tennessee farmers through the CPA, build on the technical assistance and educational efforts from the 2004 program and respond to the strong interest in Tennessee’s new Processing Cooperative Law. Two publications are available from the Phase II work with CPA: “First Things first: Initial Steps for Developing Value-Added Cooperative Farmer Venture” and “Steps Involved with Filing Articles of Organization as a Tennessee Processing Cooperative.”

“Working with the Kentucky Center for Cooperative Development has been a great way for us to launch our cooperative development initiative without having to start from ground zero. Our initiative had instant credibility and direction because of the association with and experience of KCCD.”

For more information about the CPA, please visit their website at [cpa.utk.edu](http://cpa.utk.edu).

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**-Rob Holland, Tennessee CPA**

**“You cannot talk your way out of problems you behaved yourself into.”**

**- Stephen Covey**

### Our Newsletter

Look for *The Kentucky Cooperator* quarterly in your mailbox. We hope you find the newsletter to be informative. We invite all suggestions towards its format and/or material. If you have suggestions or need to be added to our mailing list, please call us at (270) 763-8258.



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## From the Executive Director

*Cooperatives are organizations whose members are both owners and users. Consequently, members have a responsibility as owners to understand the control, financing, and operation of the cooperative. Developing such an understanding requires continual education and training in several areas and from various sources. Educating members is essential but effort must also be given to educating other community members about cooperative principles and practices if they are to truly understand and accept the cooperative as a business that will benefit the local citizens. The teachers, bankers, small business owners, professional people, and others in the community must understand the basics of cooperatives, if they are to support them as a way of improving the welfare of members and the local community.*

*Business education should be a continual process for the Cooperative's boards of directors, managers and employees. As the business grows and evolves, it will face new challenges that it must be prepared to handle successfully. Changes will occur in membership, boards of directors and personnel. As the cooperative achieves success in growth and business revenues, operating the business will become increasingly complex. The leadership within the cooperative must work constantly to educate and train its members, directors and employees to understand and deal successfully with the new challenges that it faces.*

*It is essential that the management team of the cooperative—directors, managers and key employees—recognize the importance of cooperative education and training. They must devote the time, money and effort to initiate educational programs for the community, the members and for themselves as leaders of the cooperative. They must realize that the effort is not just a one time thing, that it is an on-going process and they must be committed to it for the long term. Assistance is available to the management team for the development of educational and training programs to meet the needs of the cooperative. KCCD is committed to working with groups that want to develop programs, workshops, and other training sessions to better educate members of the community, members of the cooperative and the employees of the cooperative. We can also provide information about other sources that offer specialized services in particular areas that you may want help with.*

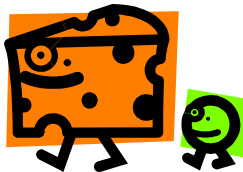
Larry K. Snell, Executive Director

**"It is wise to keep in mind that neither success nor failure is ever final."**

**-Roger Babson**

## Real Leader or Assigned Leader?

By Linda Talley—Linda Talley's SUCCESS Newsletter-July 2005



Whatever your position or title, there is a leader in you. Is it the dictator (assigned leader) or the inspirational (real) leader or a combination of both? In today's business, the dictator (it's my way or the highway type) will slow not only your business down but will slow you down, too. In today's competitive market where people are a huge asset (and they know it), leadership today must come from the emotional connection they make with people. See if that's where you're at:

Here's a test for being a REAL leader:

1. You respond vs. react to any situation.
2. You eliminate any dominating behavior and focus on creating influence rather than powers.
3. You strive for relationships before you expect results.
4. You have identified your personal values and walk the talk on your values.
5. You know your company's mission statement and can repeat it anytime from memory!
6. Your top priority is to create relationships through trust and rapport.
7. You can take a stand on an unpopular position and still maintain your relationships.
8. You allow your staff/employees to experience their leadership even as you lead them.
9. You are a great listener.
10. You are aware of your hot buttons and even though they get pushed, you don't react.
11. You allow yourself to have feelings and trust your gut instincts.
12. You are fully responsible for what's happening in your organization and what's not happening.
13. You continuously challenge people to grow themselves.
14. You validate and make people right even when they're wrong.
15. You have a long-term horizon vs. short term.
16. You realize that people are your greatest asset!

Well, how did you do? Whatever your position or title, each of you are leaders! Use this as a guide to developing your leadership skills. And remember, you don't have to have the title to be the leader. In fact, using this guideline, practice your leadership skills on yourself 50% of the time; 20% of the time practice your leadership skills on people who have authority above you; 15-20% of your time practice your leadership skills on your staff/employees. You are always a leader, don't decline the opportunity to express it.

## The Cooperative Principles: Principle #3 (part three of seven part series)

In previous articles we discussed the first two cooperative principles: voluntary and open membership and democratic member control. These first two principles really define the importance of community and roles of governance in cooperatives. The third cooperative principle outlines economic aspects of cooperatives, particularly dealing with capitalization and resource allocation. The third principle, "Member Economic Participation" is defined as follows:

"Members contribute equally to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all

of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership."

Cooperatives are organized under three major user principles: user-benefit, user-owner, and user-control. The users of the cooperative get the benefits, ownership and control of the organization. Cooperatives are organized to meet members' needs, and thus members are expected to contribute capital equitably. Economic participation plays a very important role in the user principles. Members are expected to democratically control the cooperative

Cooperative Principle #3 (continued)

business' capital.

This principle helps define community focus and also suggests cooperatives should pool resources. These pooled resources belong to the members' and are owned collectively by the whole. Additionally, this principle broadly outlines what members should do with their surpluses—which again are typically member and community focused.



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*"Cooperative Development for the Commonwealth and Beyond"*

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