



NABC

northwest agriculture
business center



Bringing the Farm to Market



MISSION

Northwest Agriculture Business Center will advance the economic vitality of the agriculture industry in western Washington by providing business resources and hands on guidance to new or existing businesses that provide value added or innovative agricultural products or services.

- ❑ Assist **ALL SCALES OF AGRICULTURE** to be successful
- ❑ Currently serving **FAMILY FARMS IN 12 COUNTIES**





The International Cooperative Alliance defines a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise."





NORTHWEST DAIRY ASSOCIATION
PROUD OWNERS OF
DARIGOLD



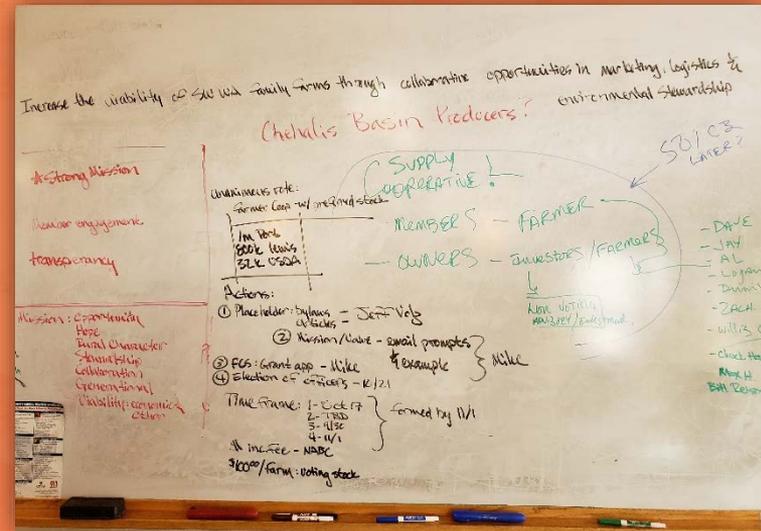
— Business Structure Comparison

	Cooperative Corporation	C Corporation	Sole Proprietorship	Nonprofit organization
Who are the owners?	Members	One or more shareholders.	Individual	No ownership
What is the business purpose?	To meet member needs for goods or services	To earn a return on owner investment	To provide owner employment a return on owner's investment	To provide services or information
How is the business financed?	stock/shares to members, and sometimes outside investors; retained profits	Sale of stock; retained profits	Proprietor's investment; retained profits	Grants, individual contributions, fees for services
Who receives profits?	Members in proportion to use; preferred stockholders in proportion to investment, up to 8%	Stockholders in proportion to investment	Proprietor	Retained within the organization
What is owner legal liability?	Limited to members' investment	Limited to stockholders' investment	Unlimited for proprietor	Limited to assets of the organization

Adapted from the University of Wisconsin Center for Cooperatives website:

Stage One: Business Concept

- ORGANIZATIONAL DEVELOPMENT
- BUSINESS DEVELOPMENT
- MEMBER DEVELOPMENT
- RESOURCES AND FUNDING



Stage Two: Business Planning

ORGANIZATIONAL DEVELOPMENT

BUSINESS DEVELOPMENT

MEMBER DEVELOPMENT

RESOURCES AND FUNDING



Stage Three: Launch

- Organizational Development
- Business Oversight
- Member Development



Success Factors

- Use committees, advisers, and outside expertise
 - Keep members informed
 - Conduct businesslike meetings
 - Maintain good board-management relations
 - Follow sound accounting practices
 - Develop alliances with other cooperatives.
 - Develop clear policies
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Potential risks to a new co-op include:

- Lack of a clearly defined mission, purpose and focus
- Lack of member leadership
- Inadequate feasibility study and/or business plan
- Failure to use experienced advisors and consultants
- Lack of financial commitment from members
- Lack of competent management to run the coop's operations
- Failure to identify and minimize business risks
- Lack of adequate financing
- Inadequate communications

Note: Accessed with a hearty “THANK YOU” from the University of Wisconsin Madison Center for Cooperatives web site:

<http://www.uwcc.wisc.edu/howtostart/Factors/>



PARTNERS

Community and Market Partners

NABC programs are funded in part by the Washington State Department of Commerce, the Washington State Department of Agriculture, and the U.S. Department of Agriculture. Our work is made possible by supporters from the agricultural industry, our communities, and from producers and consumers who share our values and vision.

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CLOUD MOUNTAIN FARM CENTER
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WHATCOM COMMUNITY FOUNDATION
ECONOMIC DEVELOPMENT ALLIANCE OF SKAGIT COUNTY
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