



# About Farmer Cooperatives

## What is a farmer cooperative?

Farmer cooperatives are businesses owned and controlled by farmers and ranchers. Through their co-ops, farmers are empowered, as elected board members, to make decisions affecting the activities of the co-op.

Farmer co-ops are a proven tool to help individual family farmers and ranchers through the ups and downs of weather, commodity markets, and technological change. Through their co-ops, producers are able to improve their income from the marketplace, manage risk, and strengthen their bargaining power, allowing individual producers to compete globally in a way that would be impossible to replicate as individual producers. By pooling the buying power of hundreds or thousands of individual producers, farmer co-ops are able to supply their members—at a competitive price—with nearly every input necessary to run a successful farming operation, including access to a dependable source of credit. Farmer co-op members also are able to capitalize on new marketplace opportunities, including value-added processing, to meet changing consumer demand.

Profits from these activities are returned to the farmer members, helping to boost income from beyond the farm gate, provide additional capital for farming operations, and reduce the effective cost of the goods and services provided by the co-op.

## Why do we need farmer co-ops?

There are nearly 3,000 farmer co-ops across the U.S. whose members include a majority of our nation's more than 2 million farmers, and all of those co-ops are providing for America. From corner groceries, to superstores, to school lunch programs, farmer co-ops give the country a safe, affordable and abundant food supply.

The cooperatively-owned Farm Credit System makes sure that farmers, ranchers and their co-ops have a dependable and competitive way to finance their operations—in both good times and bad.

And the reach of farmer co-ops extends far beyond the farm itself. Across the U.S., farmer co-ops are the economic lifeblood of many rural communities. They provide jobs to over a quarter of a million Americans, and have a payroll in excess of \$8 billion a year.

If America needs it, farmer co-ops provide it.

## Types of Farmer Co-ops

**Marketing co-ops** - handle, process, and market virtually every commodity produced in the United States.

**Bargaining co-ops** - negotiate on behalf of their farmer members to obtain reasonable prices for their commodities.

**Farm supply co-ops** - engage in the manufacturing, sale, and/or distribution of farm supplies, inputs, and fuels.

**Credit co-ops** - provide farmers and their cooperatives with a competitive source of credit and other financial services, including export financing.

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### NATIONAL COUNCIL OF FARMER COOPERATIVES

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