



FACT SHEET ON NEBRASKA'S FARMER-OWNED COOPERATIVES

Nebraska's farmer-owned cooperatives are a cornerstone of the agricultural economy in Nebraska. The following Fact Sheet on Nebraska's farmer-owned cooperatives illustrates the pervasive and profound impact that farmers, doing business on a "cooperative basis," have on our rural economy.

Agricultural supply and grain marketing cooperatives are very important to the entire Nebraska economy.

According to a recent economic impact study done by the University of Nebraska, Nebraska's supply/marketing cooperatives provided a **\$2.2 billion** impact on the Nebraska economy.

These farmer-owned cooperatives with 376 locations all across the state:

- ✧ Create a total of **13,944 jobs** annually via cooperative operations, member payments, and investments.
- ✧ Have a tax revenue impact of **\$117.9 million** annually.
- ✧ Nebraska cooperative activities result in **\$6.7 million** state and local taxes paid in the Omaha and Lincoln metropolitan areas.
- ✧ Annually return nearly **\$97 million** to cooperative members in the form of patronage allocations, equity redemptions, and equity redemptions to estates.
- ✧ Annually invest about **\$200 million** in new facilities and equipment.

The following key facts give you an idea of the importance of cooperatives to rural communities and farmers across the state:

- ✧ Over **54,300** farmers and ranchers are voting members of Nebraska cooperatives.
 - ✦ Many producers are members of more than one cooperative.
- ✧ These cooperatives paid over **\$13 million** in property taxes and over **\$7.7 million** in federal/state income taxes in 2014/15.

SUMMARY

When considering these facts, it is important to realize that the vast majority of the salaries, taxes, and investment is being made in our state's most rural communities where few other businesses or individuals are investing.

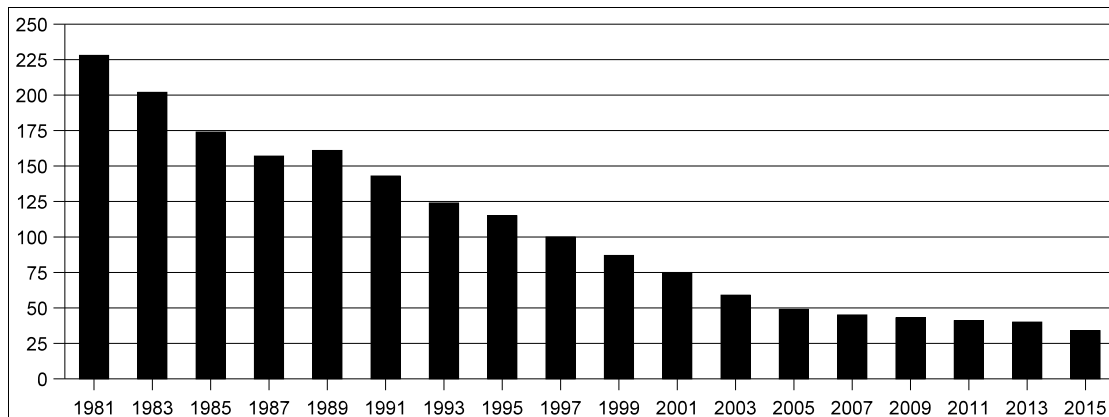
These farmer-owned cooperatives are not only providing needed goods and services for over 50,000 Nebraskans, but because the cooperatives are farmer owned, the savings (profits) generated are returned to the farmer owners. In 2015, nearly **\$97 million** in savings was returned to the farmers and ranchers of Nebraska.

(Source: Figures derived from April 2016 Cooperative Economic Impact Study by University of Nebraska Bureau of Business Research)

COOPERATIVE CONVERGENCE

Over the past 30 years there have been significant changes in the cooperative structure in Nebraska. While cooperatives continue to maintain an important place in the market, the method that the farmer-owners have chosen to structure the cooperative is much different today.

The chart below shows Council membership dating back to 1980:



At first blush, the chart above may raise serious questions regarding the sustainability of the cooperative business model. However that is only half the story.

While the number of cooperatives has dropped dramatically due to the convergence of cooperatives, the footprint of the remaining cooperatives has grown exponentially. The chart below lists the total sales per cooperative for the current 32 members of the Council.

Total Sales	# of Co-ops
\$1 billion and over.....	1
\$251 - \$999 million.	7
\$101 - \$250 million.	7
\$50 - \$100 million.	6
Less than \$50 million.	11

This chart shows that there is still a very diverse mix of cooperatives: from \$3 million to \$1 billion in total sales. So while some cooperatives have grown rapidly, others have chosen to remain the more traditional local cooperative.

All together, cooperatives are operating 376 locations across the state. So while the number of “headquarter” cooperatives has changed greatly, the number of locations providing services and products to farmers and ranchers has probably actually increased in the past 30 years.