



UNLOCKING RURAL ECONOMIES: FARM BILL INVESTMENTS IN RURAL AMERICA

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ABOUT NCBA CLUSA



- Apex membership association for U.S. cooperatives established in 1916
- **MISSION**: Develop, advance and protect cooperatives
- **VISION**: Help more people use cooperatives to build a more inclusive economy
- Our members are sector-based co-op associations and cooperatively-owned businesses across all sectors of the economy



Develop, advance and protect cooperative enterprise



COOPERATIVE IMPACT



WHY CO-OPS ARE FORMED

- **Address market failures** where neither the private sector nor the government provide a needed service
- **Help small players gain parity** with large investor-owned competitors
- **Give consumers a deliberate choice** of enterprise to better meet their common needs and aspirations



COOPERATIVE IMPACT



CO-OPS PROVIDE

- **Healthy foods** to communities
- **Purchasing scale** for independent businesses (Ace Hardware, CCA Global Partners)
- **Electricity** and broadband to rural communities (20 million households and businesses)
- **Financial services** to households (100 million credit union members)
- Affordable **home ownership**
- Business ownership for **low-wage workers** (fastest-growing sector)
- Marketing and processing of **agricultural products** (50% of ag)



FARMER AND INDEPENDENT SMALL BUSINESS CO-OP IMPACT BY THE NUMBERS



A MAJORITY OF AMERICA'S
1.9 MILLION
FARMERS AND RANCHERS
BELONG TO AT LEAST ONE
OF THE COUNTRY'S
1,800
AG CO-OPS¹



DAIRY CO-OPS
HANDLE
85%
OF MILK
IN THE U.S.²



THERE ARE
MORE THAN
250
PURCHASING CO-OPS
IN THE U.S.³



AG CO-OPS PROVIDE
187,331 JOBS
PAYING
\$10.8 BILLION
IN WAGES AND BENEFITS
TO RURAL AMERICANS⁴



FARM CREDIT MADE
\$14.4 BILLION
IN NEW LOANS
TO SMALL FARMERS AND
RANCHERS IN 2019⁵

CREDIT UNION IMPACT BY THE NUMBERS



85,400
CREDIT UNIONS
WORLDWIDE SERVE
MORE THAN
274 MILLION
MEMBERS¹



CREDIT UNIONS
OFFER NEARLY
30,000
SURCHARGE-FREE ATMs,
MORE THAN ANY
OTHER BANK²



THE AVERAGE INTEREST
RATE ON A 48-MONTH
USED CAR LOAN IS
3.62%
AT CREDIT UNIONS
VERSUS 5.56%
AT BANKS³



CREDIT UNION
INSURANCE FUNDS ARE
MORE STABLE
AND
LESS LIABLE
TO RISK THAN BANKS
DURING FINANCIAL CRISES⁴



52%
OF CREDIT UNION
CEOs ARE WOMEN,
10 TIMES HIGHER
THAN THE RATE OF
WOMEN CEOs
AT BANKS⁵



CONSUMER CO-OP IMPACT BY THE NUMBERS



COMPARED TO
CONVENTIONAL GROCERY
STORES, FOOD CO-OPS
RECYCLE NEARLY
DOUBLE
THE AMOUNT OF PLASTICS
AND FOOD WASTE¹



LOCAL PRODUCTS MAKE UP
21%
OF FOOD CO-OP SALES,
COMPARED TO THE NATIONAL
GROCERY AVERAGE OF
1.8%²



FOOD CO-OPS CREATE
9.3 JOBS
PER \$1 MILLION IN SALES,
COMPARED TO
5.8
AT TRADITIONAL GROCERY STORES³



FOOD COOPERATIVES
PAY ABOUT
7%
MORE THAN GROCERY
STORES FOR THE
SAME WORK⁴



ELECTRIC CO-OPS POWER
OVER
21.5 MILLION
BUSINESSES, HOMES,
SCHOOLS AND FARMS IN
48
STATES¹



MORE THAN
900
ELECTRIC CO-OPS
OWN AND MAINTAIN
42%
OF U.S. ELECTRIC DISTRIBUTION
LINES, POWERING
56%
OF THE NATION'S LANDMASS²



ELECTRIC CO-OPS
RETURNED
\$1.4 BILLION
IN CAPITAL CREDITS TO
CONSUMER-MEMBERS IN
2021

ELECTRIC CO-OP IMPACT BY THE NUMBERS



INVESTMENTS IN RURAL COOPERATIVE BUSINESSES

RURAL COOPERATIVE DEVELOPMENT GRANT (RCDG) PROGRAM

- Authorized through the farm bill
- Only federal program solely dedicated to cooperative development
- Supports job creation, preserved rural businesses and promotes local economic growth

RURAL ENERGY FOR AMERICA (REAP) PROGRAM

- Provides loan guarantees and grants to producers and rural small business co-ops
- Supports energy efficiency improvements and systems
- Future-planning to increase renewable energy development



RURAL REALITY

- Diverse
- Blessed with abundant natural and cultural assets
- Subject to dynamics of previous generations
- Policy interventions that overlooked parts of the economy
- Result: rural continues to lose around key outcomes





RURAL IMPERATIVE IN THE FARM BILL

WHY FOCUS ON RURAL POLICY?

- **EQUITY:** Rural people deserve economic opportunities just as everyone does.
- **ECONOMY:** Rural has much to offer a sustainable economy
- **RESILIENCE:** Increasing quality of life and climate friendly





POLICY STRATEGIES TOWARD THE FUTURE

CAPACITY BUILDING IS KEY

- **Rural economies are diverse.** Policy interventions must be flexible and tailored to the rural reality – including increasing racial and ethnic diversity.
- **Knowledge-based economy.** Rural positioned to gain and lose.
- **Data.** Rural people must have a voice and feel empowered within their institutions and the economy.



EXAMPLE: COOPERATIVES

COOPERATIVES FOCUS ON SERVICES PROVIDED TO THEIR MEMBERS AND COMMUNITIES, NOT RETURN ON INVESTMENT

- Cooperatives are user-owned
- Cooperatives are user-controlled
- Cooperatives benefit users

BENEFITS OF COOPERATION

- Responsive to its member-owners and, in turn, the local community
- Puts power in the hands of community members
- Develops, sustains and grows an organized base of people and leaders who act together through democratic structures





THANK YOU!

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