



# COOPERATIVES 101

A Tool for Rural Business & Community Development

April 29, 2026



## What You'll Learn Today

- Co-op model basics
- Different types of co-ops
- Business model comparisons
- When and why to #GoCoop
- Where to go for help





Your Touchstone Energy® Cooperative 

## SERVICES:

Government Relations

Communications

Education & Safety  
Training

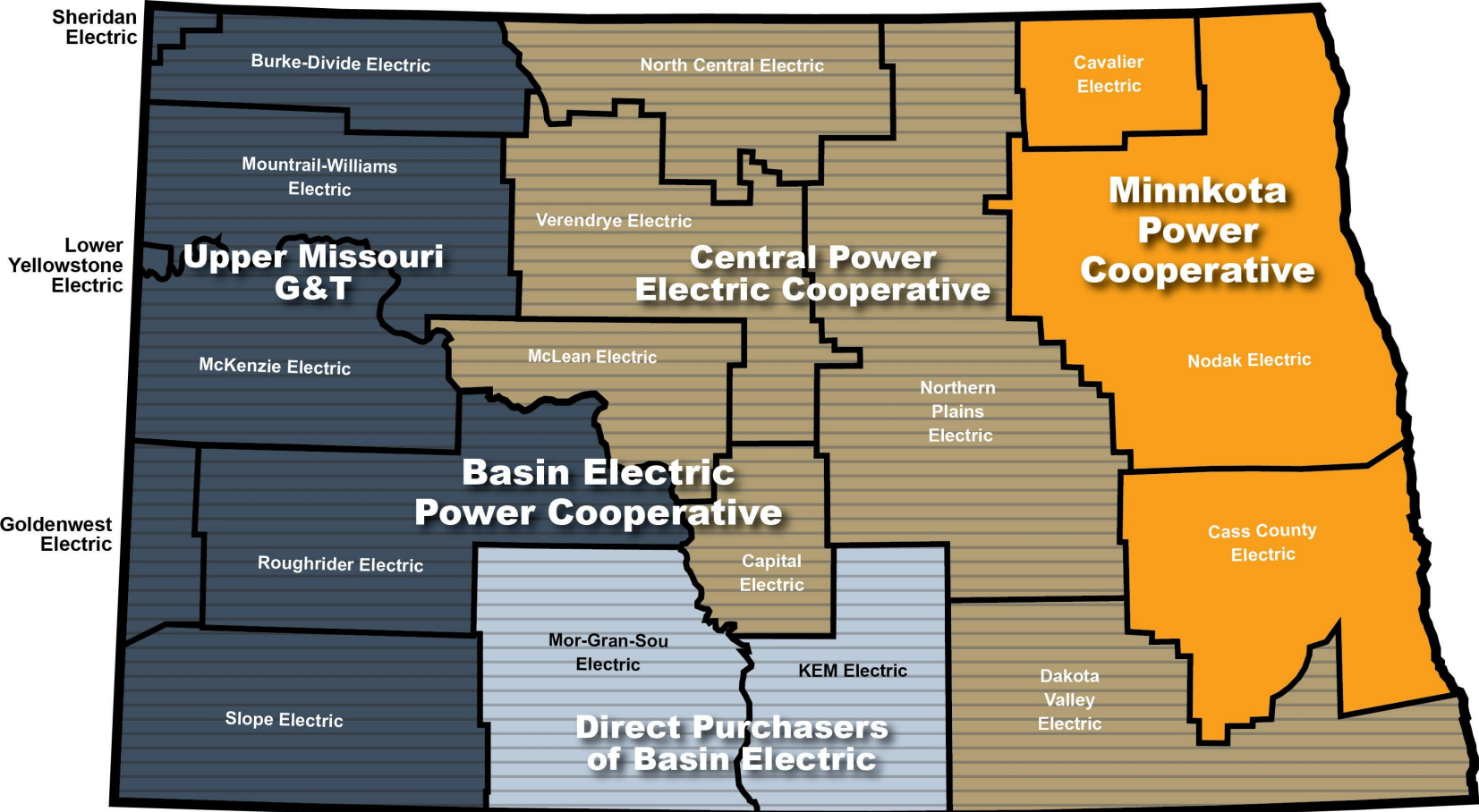
Rural Development

Health Benefit Trust

Finance & Operations



# NDAREC Members: Distribution + G&Ts





**Mission:** Powering grassroots efforts with development experience and resources to assure quality of life in North Dakota's communities.

## Rural Development

Assisting rural communities in fostering new and expanded businesses and services for the benefit of the people who live there.



## What is a Co-op?

*“Cooperatives are **people-centered enterprises** jointly owned and democratically controlled by and for their members to realize their **common economic, social and cultural needs** and aspirations.”*

*– International Cooperative Alliance*



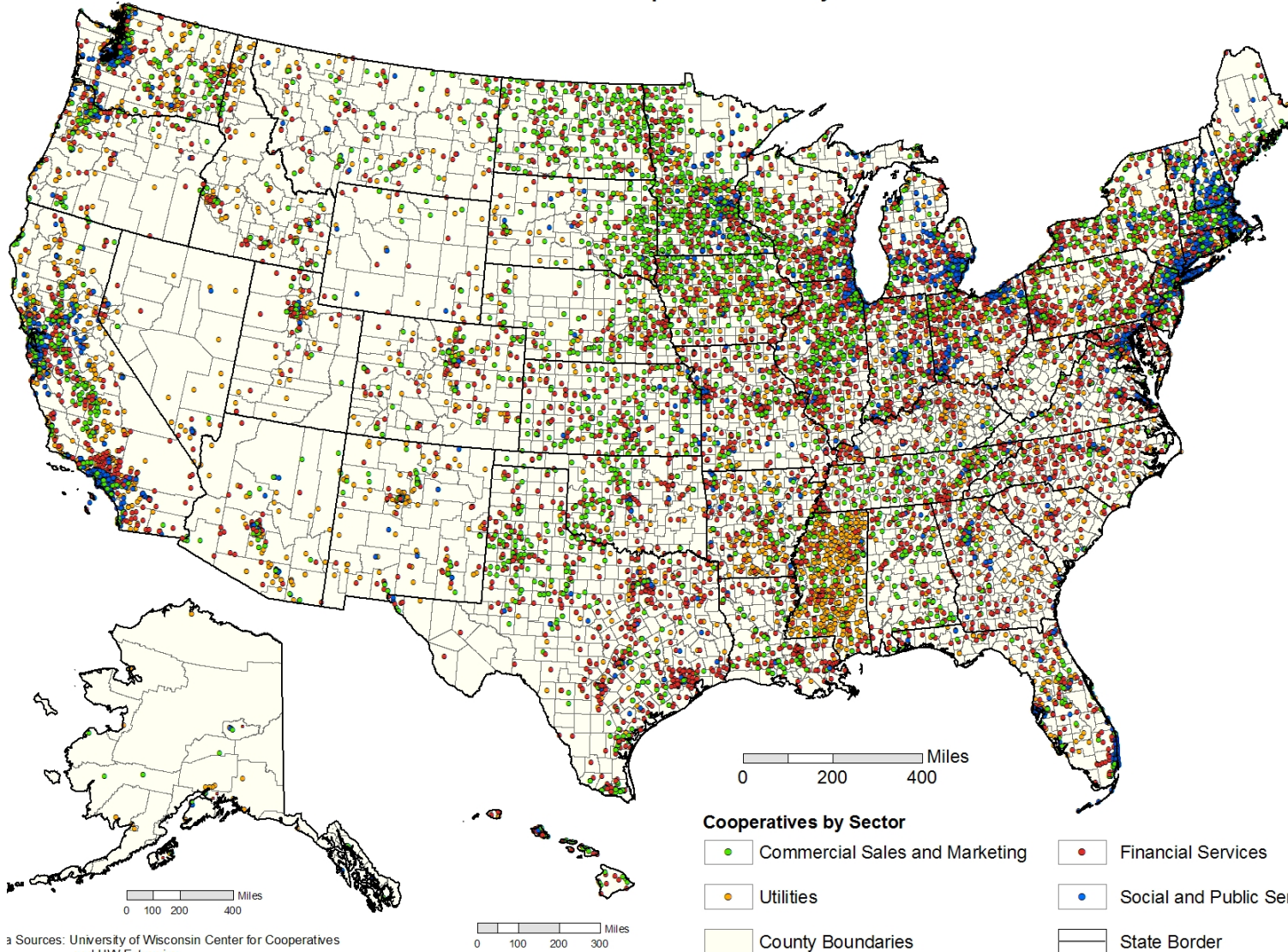


# Cooperative Philosophy...

*"If you want to go fast, go  
alone; but if you want to go  
far, go together."*

- African Proverb

## Distribution of Cooperatives by Sector



Sources: University of Wisconsin Center for Cooperatives and UW-Extension

# Map: University of Wisconsin Center for Cooperatives

- Commercial Marketing & Sales
- Social & Public Service
- Financial Services
- Utilities

# \$5 and a handshake

MEMBER  
CHATTANOOGEE COUNTY R.E.A.  
MR. CARMODY,  
WE WANT LIGHTS!

*The legacy of electric cooperatives is one of the greatest engineering achievements of the 20<sup>th</sup> century. It's a story of self-help, determination, and cooperation.*



# 7 COOPERATIVE PRINCIPLES

1

**Voluntary  
& open  
membership**

2

**Democratic  
member  
control**

3

**Members'  
economic  
participation**

4

**Autonomy &  
independence**

5

**Education,  
Training and  
Information**

6

**Cooperation  
among  
cooperatives**

7

**Concern for  
community**

# Why Go Co-op?

1. To address an unmet need.
2. To accomplish together what people can't do individually.
3. To create ownership, wealth and local control.



## Types of Co-ops

- Consumer
  - Housing
  - Child care
- Producer
- Worker
- Shared Services
- Multistakeholder
  - Investor



# Consumer

- **Owners:**  
Customers who purchase goods and services from the co-op.
- **Examples:**
  - Rural electric + broadband co-ops
  - Financial services



# **Housing** **(consumer sub-type)**

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Village Cooperative – Fargo,  
Bismarck (50 locations in 13  
states)



## Childcare (consumer sub-type)

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- Energy Capital Cooperative Child Care - Hazen, ND
- New Town Child Care Center



ENERGY CAPITAL  
COOPERATIVE  
CHILD CARE

# Producer

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- **Owners:**  
Producers of products
  - market products
  - streamline production
- **Example:**  
American Crystal Sugar Company – Moorehead, MN



**American  
Crystal  
Sugar  
Company**

# Worker (conversions)

- **Owners:** Workers who are employed by the business
- **Example:** Soaring Independent Cooperative (home care) – Madison, WI



# Shared Services

- Owners:  
Several small  
businesses/entities
  - Improve purchasing power
- Examples:
  - ACE Hardware
  - RAD Co-op – Park River, ND
  - NISC – Mandan, ND



# Multistakeholder

- **Owners:**  
Several classes of membership – often workers and consumers
- **Examples:**
  - Cenex Harvest States – Inver Grove Heights, MN
  - Fifth Season – Viroqua, WI

The logo for CHS, featuring the letters 'CHS' in a serif font, with a blue swoosh underneath.

Cenex Harvest States  
*we grow value*



## Investment (multistakeholder subtype)

- Musselshell Valley Development Cooperative – Roundup, MT
  - *“We aren’t just hammer and nails. We are the glue.”*

MUSSELSHELL VALLEY

MVDC

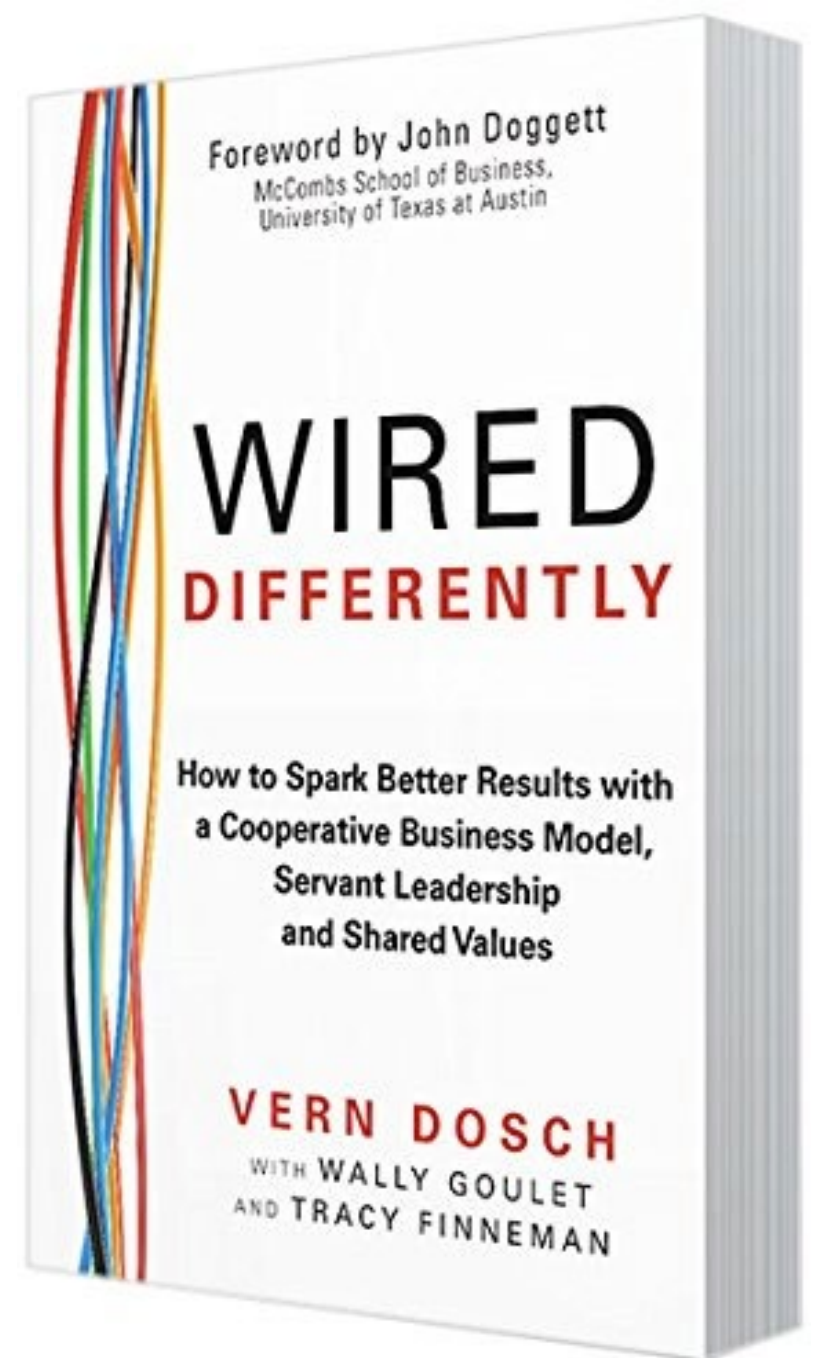


DEVELOPMENT CO-OP

# Co-ops are Wired Differently

*“... the cooperative business model is designed to produce goods and services in such a way that the cost of production is met and the goods and services are made affordable for the member/owners’ advantage.”*

– From *Wired Differently*, by Vern Dosch, Wally Goulet and Tracy Finneman



# Business Model Comparison: Co-op vs. Other Enterprises

## **Similarities:**

- Sound business practices
- Incorporated under state law
- Board of directors
- Bylaws, policies, etc.
- Limited liability

## **The Co-op Difference:**

- Purpose
- Ownership & control
- Distribution of benefits

# Co-op Applications in Your Community

Shared Services

Investment

Worker/employee owned

# Shared Service Opportunities

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**Home care** – admin & compliance, supply purchasing, training

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**Trades** – admin, training, succession planning, education, job placement

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**Veterinary services** – admin & compliance, shared staff, shared equipment, group supply purchasing

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## KEY QUESTION

Do several businesses or organizations have common needs that they could address collaboratively?

# Investment Cooperatives

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**Main street/downtown blight**

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**Small-scale housing**

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## **KEY QUESTION**

Is there a group of people motivated to invest for community benefit rather than maximum financial return?

# Employee Ownership

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## Succession of essential businesses

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### Key Question

Is an owner looking to sell or exit an essential business that's in good financial shape?

# Basic Steps to Starting a Cooperative

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1. Idea exploration
2. Business viability
3. Business plan
4. Legal structure
5. Capitalization
6. Operations
7. Co-op education and training



# What's Your Role?



Build relationships + ID opportunities



Bring people together / host conversations



Identify helpful resources



Add co-op model to the development toolkit

*“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it’s the only thing that ever has.”*

- Margaret Mead, anthropologist





# **CO-OP DEVELOPMENT RESOURCES**

# National Cooperative Business Association



## LAUNCHBOX

Designed for the “co-op curious,” NCBA’s LaunchBox is a low-barrier, mobile-friendly introduction to the cooperative business model. Grow your understanding of cooperatives, how they work, and learn whether shared ownership makes sense for your business or community. The LaunchBox is your front door to cooperative education.

[GET STARTED >](#)



## WORKSHOP BUILDER

The Workshop Builder is a platform for cooperative developers and educators who need to design and deliver high-quality cooperative training—fast. It provides ready-to-use modules, agendas, activities and facilitator notes that can be tailored to your local context, helping practitioners deliver consistent, community-grounded cooperative education without starting from scratch.

[LEARN MORE >](#)



## CO-OP BUSINESS SCHOOL

The Cooperative Business School offers 67 courses, has hosted 350 learning events and has welcomed 10,000 people across 12 countries. With easy-to-access, self-directed modules that allow you to learn at your own pace, this e-learning platform enables cooperative members and stakeholders to develop practical knowledge and skills. Currently available in Spanish.

[LEARN MORE >](#)

# USDA Rural Development



U.S. Department of Agriculture

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Sustainability ▾

Trade and Markets ▾

## Co-ops: A Key Part of Rural America

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# Quentin Burdick Center for Cooperatives

**NDSU** NORTH DAKOTA  
STATE UNIVERSITY

A Student-Focused, Land Grant, Research University

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Quentin Burdick Center  
for Cooperatives

# UW Center for Cooperatives



## Center for Cooperatives


DIVISION OF EXTENSION

UNIVERSITY OF WISCONSIN-MADISON

**Our Mission:** to increase understanding and encourage critical thinking about cooperatives by fostering scholarship and mutual learning among academics, the cooperative community, policy makers and the public.

# NDAREC Rural Development Services

- **Strengthening rural communities**
- Provide cooperative development education & assistance
- Coordinate regional and statewide strategies and initiatives to address rural challenges
- Help obtain grants & financing for small business & community development projects



**COMMUNITY CHAMPIONS**

*KayCee Lindsey, Lindsey Grocery, Crosby*

**RURAL DEVELOPMENT SERVICES FOR NORTH DAKOTA**

Powering grassroots efforts with development experience and resources to assure quality of life in North Dakota's communities.

# Rural on the Rise



Featuring keynote speaker  
**Lorie Vincent, CEcD**

**“Stand Up Rural America:  
Forging a New Path of Growth & Prosperity”**

**“Regionalism: Winning Together Instead of  
Losing Alone”**

Hosted by:



North Dakota Rural Electric Cooperatives  
Foundation

**Sept. 29, 2026**

**NDAREC Cooperative Center | 3201 Nygren Drive NW | Mandan, ND**



**Ellen Huber**



**Keiara Lesmeister**



**Brian Gion**



**Chris Gessele**



Don't hesitate to reach out! | [ndarec.com/RDRequest](https://ndarec.com/RDRequest)