

# COOPERATIVE DEVELOPMENT CHALLENGE

## CAREER DEVELOPMENT EVENT

### PURPOSE

The Tennessee FFA Cooperative Development Challenge provides competition that fosters information assimilation, critical thinking and problem-solving skills necessary to successfully develop career skills toward; participating in, starting up, or managing a cooperative. The Tennessee FFA Cooperative Development Challenge enhances and encourages opportunities for all participants to receive instruction that develops cooperative management skills.

### OBJECTIVES

The event objectives are for participants to demonstrate their ability to:

- A. Analyze cooperative business management information.
- B. Apply economic principles and concepts of cooperative business management to the decision-making process.
- C. Evaluate cooperative business management decisions.
- D. Work together cooperatively as a group.
- E. Further the awareness of cooperatives in the local community.
- F. The principles and concepts listed below may be included in each section of the event.

### EVENT RULES

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**TEAM OF:** 4-5 FFA members

**OFFICIAL DRESS APPROPRIATE:** Yes

**STATE PARTICIPANTS:** Open to all chapters

**MATERIALS NEEDED:  
(ON DAY OF THE EVENT)** All materials needed for presentation (*will vary*)  
No. 2 pencils  
Calculator (*must be battery operated, non-programmable and silent with only the following functions- addition, subtraction, multiplication, division, equals, percent, square root, +/- key and one memory register.*)

### FORMAT

This event consists of the following components:

#### *TEAM*

#### **A. Cooperative Portfolio**



- B. 2 (*minimum*) Cooperative Presentations Locally
- C. Cooperative Portfolio Presentation

*INDIVIDUAL*

**D. Written Exam**

**A. Cooperative Portfolio**

Participants will research the need for and then develop a cooperative related to agriculture using the seven principles of cooperatives. Records should be kept of all meetings. Financial records should be kept of all business activity. Members should have records with them and be prepared to explain the records during the question and answer period of their presentation at the state event. Members will then develop a portfolio for submission and development of a presentation. . **A .pdf version of the portfolio must be emailed to the State FFA Office by the deadline set on the official calendar or will be subject to penalties (see *Official Rules and Policies, page 3 and Tips for Emailing Paperwork, page 9*).**

**Portfolio Guideline:**

1. Maximum ten pages single sided, not including cover page

**Portfolio Format:**

1. **Cover page:** will include the title of the cooperative, the date of the state event, name, address and phone number of the chapter. A maximum of ten (10) points will be deducted for exceeding the maximum amount of pages and /or for not including the cover page containing required information.
2. **Development summary:** maximum of two pages; will include a summary of the reason for development of the cooperative, including:
  - a. List course(s) in which instruction occurred including the number of students involved in the instruction of cooperative principles.
  - b. Why is this cooperative important?
  - c. Is membership voluntary and open?
  - d. How do members have democratic control?
  - e. How do members economically participate?
  - f. Is the cooperative autonomous and independent?
  - g. What has the cooperative done to educate, train, and inform its members and others about the nature and benefits of cooperation?
  - h. Has the cooperative worked in cooperation with any other cooperatives?
  - i. How has the cooperative shown concern for its community?
3. **Financial records:**
  - a. Beginning and Ending Balance Sheet (ending date Dec. 31 of last year)
  - b. Income Statement (for previous calendar year), **including the beginning and ending inventories.**



4. **Bibliography:** of all resources and references cited which may include personal interviews and any other supporting material
5. **Presentation documentation:** proof of presentations to at least two local civic groups prior to the state event, in the form of:
  - a. Letters from organizations
  - b. News articles
  - c. Photos showing attendance at presentations (3x5 or 4x6)
  - d. Scrapbook
6. **Evaluation:** of the successes and pitfalls experienced during this cooperative venture.

### **B. 2 (minimum) Cooperative Presentations Locally**

After the cooperative has been developed, the team should develop a presentation to first give to at least 2 local civic organizations to be included in the portfolio score.

When including in the portfolio, please state when, where and to whom the presentations were made and indicate how many community members were in attendance at each of the presentations. A chapter must have a minimum of two high quality public presentations and a maximum of one high quality presentation to a school audience prior to their state event in order to receive the maximum of 15 points.

Multiple organizations attending the same presentation will count as one presentation. If more than one presentation is held on the same day, the starting time of each presentation must be independently documented.

Portfolio judges may take into consideration the quality and quantity of presentations made to audiences. No points will be awarded for extra school presentations to teachers and students. In addition, no points shall be awarded for presentations made as any part of a local or state FFA competition.

**High quality presentations** are those presentations made to community groups that would have an interest in cooperatives. High quality presentations can also be with smaller numbers of individuals who hold elected, appointed or some other official position that will be making decisions that may have an impact on cooperatives.

**Low quality presentations** would include dropping in at a local business and giving your presentation to the workers or going to the home of one of the parents to make a presentation. Low quality presentations will receive zero or minimal points.

### **C. Cooperative Development Presentation (a.k.a. the sales pitch)**

Presentations at the state event are to be a maximum of 15 minutes which includes a 5 minute question and answer period at the end. The purpose of the presentation is to sell the judges on the idea that their cooperative is needed, explain to the judges how their cooperative observes the 7 principles of cooperatives, and to evaluate the successes and pitfalls experienced during this cooperative venture. **Teams should remember that this is a sales pitch and they should imagine that the judges are potential cooperative**



members (i.e. investors). Make use of the 7 principles to sell the judges on your cooperative.

#### **D. Individual Activity**

The written exam tests the ability of the participants to use decision making and problem analysis skills while applying economic principles and concepts taught in farm business management. Each team member works independently to complete the written exam. On the written exam, each team member delivers a set of results for scoring and receives individual scores on the written exam. Thirty minutes is allowed for completion of the written exam. The written exam will consist of 20 or 25 multiple choice questions. All topics in the topics chart can be included in the written exam.

Only 4 team members will be allowed to take the written exam.

#### **SCORING**

##### *TEAM*

|                                      |                           |
|--------------------------------------|---------------------------|
| Written Exam                         | 100 (average of 4 scores) |
| Cooperative Portfolio                | 100                       |
| Cooperative Development Presentation | 100                       |
| <b>TOTAL:</b>                        | <b>300</b>                |

#### **TIEBREAKER**

Judges will break ties on team scores using the following sequence:

1. Written exam average
2. Highest written exam score

Judges will break ties on individual scores using the following sequence:

1. Highest written exam score
2. Scores on pre-selected sections of the written exam.

#### **AWARDS**

Top two teams from each of the three grand regions will be recognized at their regional FFA banquets with plaques and a monetary award in the amount of \$100. The State Runner-Up team will be recognized on stage at the State FFA Convention with a plaque and a monetary award to the amount of \$150. The State Champion team will be recognized on stage at the State FFA Convention with a plaque and a monetary award to the amount of \$250. One FFA advisor from each of the top two state teams will be recognized on stage with a monetary award in the amount of \$100 each. Monetary awards may be in the form of a check, gift card, a debit card, a gift certificate, etc. in the amounts listed above.



## REFERENCES

Refer to this list in digital form in order to access many of these references as links.

[Video 1](#): Business background such as partnerships, sole proprietorships, corporations and cooperatives.

[Video 2](#): The definition of a cooperative.

[Video 3](#): Cooperative members and patrons.

[Video 4](#): A short history of cooperatives AND important laws.

[Video 5](#): Cooperative principles and the TCC's seven principles.

[Video 6](#): How to tell the difference between a cooperative and a non-cooperative business.

[Video 7](#): Finance and accounting

[Video 8](#): Balance Sheet

[Video 9](#): Income Statement

[Video 10](#): How to give a sales pitch.

### Other Resources:

- [Farm Business Management CDE site on FFA.org \(for economic terms\)](#)
- [Cooperative Extension Service](#)
- [Tennessee Council of Cooperatives](#)
- [Bill Fitzwater Cooperative Center at Oklahoma State](#)
- [Arthur Capper Cooperative Center at Kansas State University](#)
- [USDA Cooperative Development Publications](#)
- [USDA Cooperative Programs](#)
- [USDA "Rural Cooperatives Magazine"](#)
- [Cooperative Information Reports from USDA](#)
- [Cooperative Research Reports from USDA](#)
- [University of Wisconsin Center for Cooperatives](#)
- [University of California Rural Cooperatives Center](#)
- [The National Cooperative Business Association's Top 100 cooperatives in the US](#)
- [National Cooperative Business Association](#)
- [National Council of Farmer Cooperatives](#)
- [Kentucky Center for Agriculture and Rural Development](#)
- [Understanding Cooperatives: Legal Foundations of a Cooperative](#)
- [Sample Legal Documents for Cooperatives](#)
- [Understanding Capper-Volstead](#)
- [Co-ops 101: An Introduction to Cooperatives](#)
- [How to Start a Cooperative](#)



- [Agricultural Cooperatives in the 21<sup>st</sup> Century](#)
- [What is a Cooperative? Why Cooperatives are Organized](#)
- [Understanding Cooperatives: The Structure of Cooperatives](#)
- [Understanding Cooperatives: Cooperative Business Principles](#)
- [Understanding Cooperatives: The American System of Business](#)
- [The Structure of Cooperatives](#)
- [Who Runs the Cooperative Business? Members](#)
- [Who Runs the Cooperative Business? Board of Directors](#)
- [Who Runs the Cooperative Business? General Manager and Employees](#)
- [Legal Foundations of a Cooperative](#)
- [What is a Cooperative? Why Cooperatives are Organized](#)
- [Rural Cooperative Publications](#)
- [Marketing Coordination in Agricultural Cooperatives](#)
- [Cooperative Marketing Agreements: Legal Aspects](#)
- [Cooperative Brands](#)
- [Cooperative Feasibility Study Guide](#)
- [Sample Policies for Cooperatives](#)
- [Working with Financial Statements – Guide for Cooperative Members](#)

