
Cooperative Functions: Meeting Members' Needs

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Cooperatives are effective when they meet the needs of the members. In past and current offerings by cooperatives as a whole and forestry cooperatives in particular, four functional categories cover the typical services a forest landowner might gain access to through joining (Cobia 1989). The four categories—marketing, supply, service, and social—are defined and examples are provided.

Marketing

The marketing function of a cooperative is intended to increase the returns to members for forest products harvested from their land. By acting collectively in capturing economies of scale, private forest landowners receive greater profit than by acting alone. This collective action can, but does not have to, include value-added processing. While most foresters naturally think of timber products, landowner cooperatives also have been created around nontimber products such as maple syrup.

At the most basic level, the marketing function provides opportunities for the joint sale of timber. The co-op can organize several smaller sales that may be unprofitable as individual sales into a single, profitable sale as is commonly done by foresters in the private sector. If the co-op could predict wood supply from their members' lands over time, such knowledge might allow the co-op to negotiate long-term arrangements with local loggers or mills. Such knowledge may allow the co-op greater leverage in the marketplace to at least negotiate more favorable contracts, if not command higher prices.

Value-added processing can range from something as simple as a log sorting yard for the marketing of sawn logs to a sawmill or other facility that processes wood products for final sale to the public. However, entering the value-added wood products industry demands greater capital investments and greater attention to the factors that drive production. If members do not have wood available for the sawmill, where will the co-op get logs to keep the mill (and its employees) working? Even a log sorting yard can require careful consideration. Will the co-op buy or rent land? Will it harvest and haul the timber to the yard or will that work be contracted to others? Value-added processing can be an important part of a forest landowner cooperative: Sörda, the largest Swedish co-op, operates sawmills and paper mills.

We intend to market a product that has a story behind it, where we can tell people where the wood came from, how it was harvested, and where it was processed. We've been amazed at the wonderful reception we've been getting so far from people in this area.

**Massachusetts Woodlands
Cooperative Member**

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The co-op provides the opportunity for landowners to get together as both a buying group and a selling group, which is not true of any of the other forestry associations; that's not their intent. That's pretty unique.

**Massachusetts Woodlands
Cooperative Member**

Supply

Rather than (or in addition to) marketing to external buyers, co-ops can help members by reducing the cost of supplies. In theory, a co-op can purchase supplies in bulk at prices lower than members purchasing by themselves. For example, agricultural co-ops purchase seed and fertilizers for their member farmers. In forestry, a co-op could purchase tree seedlings on behalf of all members and receive better prices for purchasing in bulk quantities. A co-op might also purchase equipment that could be shared by all members, but that would be impractical for individuals to purchase on their own, such as tree planters, pruning poles, or a firewood splitter.

Service

The service function includes those activities that are not strictly related to marketing or purchasing, but that still benefit members. Services might improve the profitability of individual members or the productivity of their forests. Many forestry co-ops assist members in developing written management plans, and they provide other technical assistance. The Sustainable Woods Cooperative of Lone Rock, WI, organized experts and members to burn prairies and oak savannahs to improve the qualities of those ecosystems. A co-op may retain or employ a forester or other professional to assist landowners with management activities. A co-op could also assist members by preparing applications to Federal or State cost share programs, overseeing members' participation in a forest certification system, or advising members on timber taxation issues.

The new co-ops have spent much effort in educating their members about forests and the practice of forestry. Co-ops, like others who work with forest landowners, have found that education is often the first step toward active forest management. This education has included everything from traditional forestry topics such as silviculture and timber marketing to ecological restoration and horse logging. The new co-ops also have used a variety of educational tools such as workshops, field days, publications, newsletters, and Internet sites. For co-ops, the educational service can be an important way of retaining members. Because forestry often requires only infrequent contact with members, educational programs can reconnect members with the co-op and remind them of the benefits it provides.

Social

Closely related to this reconnection through education is the social function that cooperatives play. Any group of people that interacts creates a social relationship. Several studies (Sturgess 2003, Tiles 2003) indicate that forest landowner co-ops bring

together like-minded landowners with similar goals who gain much from their interaction with other members. Often, participation in the co-op further builds solidarity and like-thinking among members. However, these social benefits must be put in perspective. The decision to start or to participate in a co-op requires a full consideration of the costs and benefits, but the social benefits also can figure into an individual decision to join.

Conclusions

Forest landowner cooperatives can meet a variety of potential member needs ranging from marketing and supply arrangements to a wide range of professional and technical services. Through these cooperatives, members can create a social network of like-minded individuals. The selection of which needs to meet depends on a careful assessment of potential members and the existing market.

Literature Cited

Cobia, D.W., ed. 1989. *Cooperatives in agriculture*. London: Prentice Hall. 447 p.

Sturgess, E.D. 2003. *Lumbering through lessons in landowner cooperation: a study of member perceptions of the Sustainable Woods Cooperative in southwestern Wisconsin*. Madison, WI: University of Wisconsin, Department of Forest Ecology and Management. 91 p. M.S. thesis.

Tiles, K.A. 2003. *Local landowner forestry groups and their members: what makes cooperation*. Madison, WI: University of Wisconsin, Department of Forest Ecology and Management. 109 p. M.S. thesis.

The thing I really like about cooperatives—there're other people there. You can call a half dozen landowners and say, "Hey, let me run this by you..." So, a cooperative is a resource that creates a continuous fabric. That's what I'm looking for.

***Blue Ridge Forest Cooperative
Potential Member***