

Fostering financial prosperity  
through cooperation



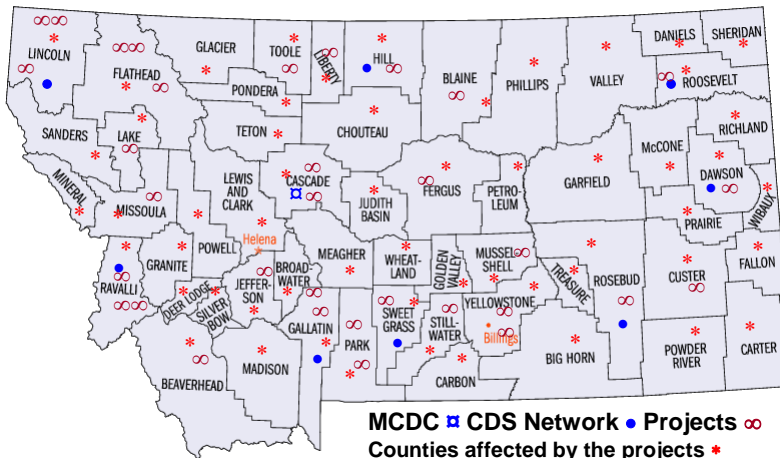
Cooperatives  
May 8, 2008

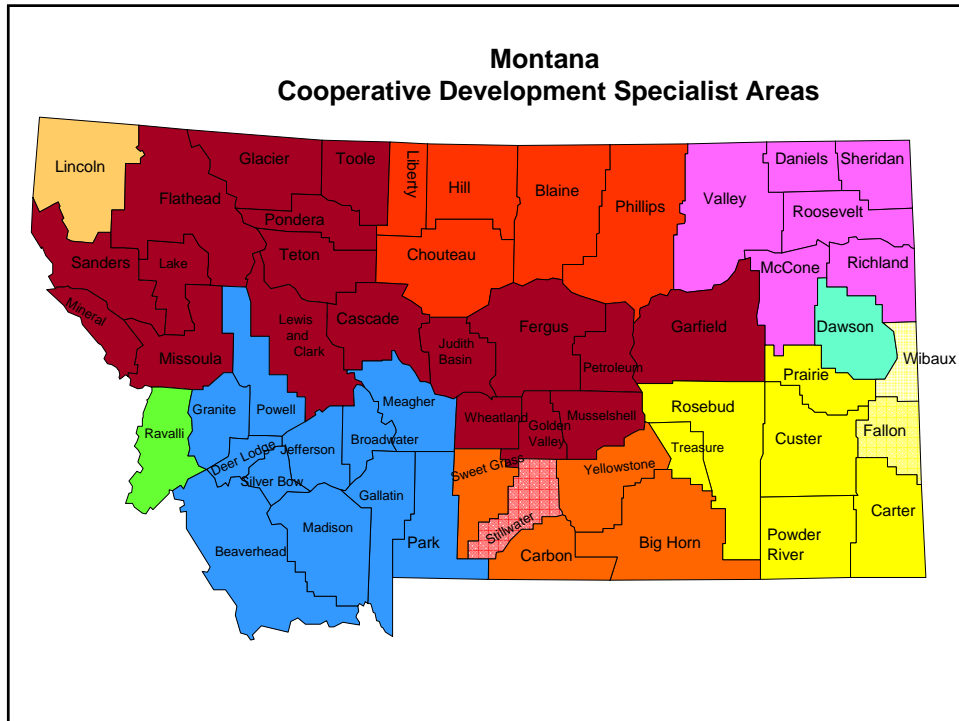


Brian Gion  
CEO

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### Montana Cooperative Development Center





## What is a Cooperative

- A business owned and controlled by the people who use its services; one member one vote.
- Finance and operate a business for their mutual benefit;
- By working together, you can reach an objective that would be unattainable if acting alone;
- You may provide a service for your community that may not otherwise be available.



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## Types of Cooperatives

### Cooperative Associations

- For purposes of trade; or
- For prosecuting any branch of industry; or
- For the purchase and distribution of commodities for consumption; or
- For borrowing or lending of money among members for industrial purposes.
- Used in non-agricultural business situations.



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## Types of Cooperatives

### Agricultural Associations

Used only for the purposes of promoting or improving production, processing, storing, warehousing, or marketing of agricultural products of the association's members.



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## Types of Cooperatives

### Cooperative Agricultural Marketing Associations

Used when organizers are engaged in activities connected to preparing, processing, marketing and selling products and byproducts of its members. The association also may deal in machinery, equipment and supplies for its members.



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#### MCA 2007

**35-15-401. Classes of stock. (1) The purchase price of the shares of stock must be set by the cooperative association and may be made payable in installments.**

**(2) A cooperative association may divide its shares of stock into preferred and common stock. The holders of preferred stock may not have voting power and may not participate in the management and affairs of the association. The owners of preferred stock shall share in the profits of the association to the extent determined by the cooperative association. The common stock may be divided into classes of different values, and the owners of the common stock**

**35-15-401: continued**

**shall share in the profits of the association as determined by the cooperative**

**association. However, the owners of common stock in the different classes**

**have the same power and voting rights in the association.**

**35-15-403. Assignment of stock.**

**No assignment of stock shall be made to any person who already owns stock, except by the consent of the board of directors, but stock may be assigned to the association at any time with the consent of the directors. On no question shall a stockholder have more than one vote. Every assignment of stock on which there remains any portion unpaid shall be recorded in the books of the association, and each stockholder shall be jointly and severally liable with the association for the debts of the association to the extent of the amount which shall be unpaid upon the share held by him. No assignor shall be released from any such indebtedness by reason of any assignment of his share but shall remain jointly liable therefore with the assignee.**

**35-15-411. Disposal of earnings -- dividends -- reserve fund -- educational fund.**

**The directors of a cooperative association, subject to revision by the stockholders at a general or special meeting, may apportion the earnings of the association by first paying dividends on the paid-up capital stock, not exceeding 6% per annum on the par value thereof; from the remaining funds, if any, accessible for dividend purposes, not less than 5% of the net profits for a reserve fund until an amount has accumulated in said reserve fund amounting to 30% of the paid-up capital stock; and from the balance, if any, 5% for an educational fund to be used for teaching**

**35-15-411. continued**

**cooperation; and the remaining of said profits, if any, by uniform dividends upon the amount of purchases of patrons and upon the wages and for salaries of employees, the amount of such uniform dividends on the amount of their purchases, which may be credited to the account of such patrons on account of capital stock of the association; but in production associations such as creameries, canneries, elevators, factories, and the like, dividends shall be on raw material delivered instead of on goods purchased. In case the association is both a selling and a productive concern, the dividends may be on both raw material delivered and on goods purchased by patrons.**

## MCDC Value-added Agri Projects

- Montana Bio Industries Coop (Billings) Biodiesel Refinery
- Bitterroot Valley Food Coop (BVFC) (Hamilton)
- Great Northern Growers (GNG) (statewide)
- Montana Branded Beef Association Cooperative (MBBA) (statewide)
- Montana Organic Producers Coop (MT, ID)
- Beaverhead Processing Plant (Dillon)



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## MCDC Value-added Agri Projects

- North-West Pork Cooperative (Hog Processing Plant in Shelby)
- Farm to Table Cooperative (MT, ND, WY)
- Park County Biofuels Cooperative (Livingston)
- Valley Farmers Market Cooperative (Hamilton)
- Bigfork Farmers Market Cooperative (Bigfork)



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## MCDC Value-added Agri Projects

- Bio-Mass Commercial By Product Project (Forsyth, Roundup)
- Forestry Cooperative (NW MT)
- Oil Seed Cooperative (North Central MT)
- Wind Energy (White Sulfur)
- Montana Poultry Growers Coop (statewide)



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## Other MCDC Coop Projects

- Housing Cooperatives (Ravalli, Sweet Grass, Hill, Park and Yellowstone Counties)
- North Missoula Food Cooperative (Missoula)
- Hardware/Grocery Store (Melstone)
- “Got Socks” Community-Owned (Cooperative) Clothing Store (Colstrip)
- Artitudes Art Gallery (Havre)



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## Other MCDC Coop Projects

- Veterinary Cooperative (Bozeman area)
- Elderly Care Facility (Forsyth)
- Regional Electric/Telephone Cooperative (SE MT)
- Farmers and Artist Marketing Cooperative (NW MT)
- Jewelry and Crafters Marketing Cooperative (Harlowtown)



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## Other MCDC Coop Projects

- Newspaper Cooperative (Joliet to Hamilton)
- Marketing and Design Cooperative (Bozeman area)
- Agricultural Products Marketing Cooperative (North Central MT)
- Mobile Home Cooperative (Bozeman)
- Senior Housing Cooperatives (Lima, Dillon, Red Lodge, Bozeman) New



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## Other MCDC Coop Projects

- Bakery Cooperative (Great Falls) New
- Montana Coffee (Whitefish) employee own cooperative New
- Marketing and Housing Cooperative (Kalispell) New
- Fitness Center (Miles City) - information gathering.
- Publishers Coop (Bozeman area) – on hold



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## Other MCDC Coop Projects

- Youth Coop Business (Browning) – gathering legal information.
- Youth Coop Business (Columbus)
- Irrigation Cooperative (Fort Peck)
- Shippers Cooperative (NW MT)
- Home Health Care, Worker-owned Cooperative (Ravalli County)



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## Other MCDC Projects

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- [Great Northern Growers \(GNG\) \(statewide\)](#)
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## Other MCDC Projects

- [Park County Biofuels Cooperative \(Livingston\)](#)
- [Valley Farmers Market Cooperative \(Hamilton\)](#)
- [North Missoula Food Cooperative \(Missoula\)](#)
- [Bigfork Farmers Market Cooperative \(Bigfork\)](#)
- [“Artitudes Art Gallery \(Havre\)](#)
- [Montana Poultry Growers Coop \(statewide\)](#)
- [Coup- Marks Coop \(Flathead Reservation\)](#)



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# Montana Cooperative Development Center (MCDC) Success Story

- ❑ **Assisted:** Since its inception in 2000, MCDC has assisted 89 entities with Cooperative Education and Project Management
- ❑ **Description of Need:** Directed and managed 33 Feasibility Studies and 36 Business and Marketing Plans
- ❑ **Assistance Provided:**
  - ❑ Assisted 12 entities with Applied Research
  - ❑ Provided Legal Assistance to 27 projects
  - ❑ Provided Financing for 28 projects
  - ❑ Provided various training opportunities for 44 projects
- ❑ **Outcome:**
  - ❑ The formation of 25 Cooperatives
  - ❑ First year impacts over \$8.3 million wages/ \$113 million to economic sector (construction, utilities, etc.)
- ❑ **Dollars leveraged:** State Dollars (\$455,000) Leveraged \$3,668,955



People of Montana

Building Together  
What Would Be  
Impossible  
To Build Alone



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