

## What is a Farmer Cooperative?

Farmer cooperatives are businesses owned and controlled by farmers, ranchers or growers. Through their cooperatives, farmers are empowered, as elected board members, to make decisions affecting the current and future activities of the cooperative.

When a farmer joins a cooperative, they benefit through earnings returned on a patronage basis. For example, a farmer-member who accounts for 10 percent of the volume of milk delivered to the cooperative would receive 10 percent of the net earnings derived from the handling, processing, marketing and sale of that milk or related products. Such patronage dividends help boost the income of farmers directly or by reducing the effective cost of the goods and services provided.

### Why Are Cooperatives Organized?

Through their cooperatives, farmers are able to:

- Improve their income from the marketplace
- Strengthen their bargaining power
- Maintain access to competitive credit sources
- Compete effectively in the global economy
- Capitalize on new marketplace opportunities, including value-added processing
- Manage risk
- Access technical assistance and other services

#### Did you know?

There are more than 3,000 farmer cooperatives throughout the United States, whose members include a majority of our nation's 2 million farmers.

### Types of Farmer Cooperatives

**Marketing cooperatives** – handle, process and market virtually every commodity grown and produced in the United States

**Bargaining cooperatives** – bargain to help their farmer-members obtain reasonable prices for the commodities they produce

**Farm supply cooperatives** – engage in the manufacture, sale and/or distribution of farm supplies and inputs, as well as energy-related products, including ethanol and biodiesel

**Credit cooperatives** – provide farmers and their cooperatives with a competitive source of credit and other financial services, including export financing



## Dairy Farmers of America, Inc.

Dairy Farmers of America, Inc. (DFA) is a milk marketing cooperative owned by nearly 16,000 dairy producers throughout the United States. Our goal is to market our members' milk, pay a competitive price, demonstrate value and provide leadership.

In addition to the patronage earnings returned to members from marketing milk, our members have elected to invest in brands, products and plants that bring added value and additional returns to their membership. Some of these investments include:

- 21 DFA-owned manufacturing plants that produce a wide range of products
- Fluid milk joint ventures and shared ownership in milk bottling plants
- Joint-venture partnerships with America's best private-label food marketing companies
- Development in export markets throughout the world
- Marketing agreements with other U.S. cooperatives and farm organizations
- Innovative partnerships resulting in specially formulated ingredients products and packaging
- Borden® cheese
- Keller's® Creamery butter
- La Vaquita®
- Plugrá® gourmet butter
- Sport Shake® energy milk shake
- Specialty coffee drinks
- Infant formula

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For more information about  
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