

Kansas Directory of New Generation Cooperatives and Other Producer Alliances

By

David Coltrain

Extension Assistant, Arthur Capper Cooperative Center
Department of Agricultural Economics, Kansas State University
For information call 785-532-1523 or e-mail coltrain@agecon.ksu.edu

David Barton

Director, Arthur Capper Cooperative Center
Professor, Department of Agricultural Economics, Kansas State University

May 2000

Arthur Capper Cooperative Center
Department of Agricultural Economics
Cooperative Extension Service
Kansas State University

New Generation Cooperatives: (NGC)

21ST CENTURY ALLIANCE

21st Century Alliance

Lynn Rundle, CEO

Chris Williams, VP of Operations

315 Houston St. Suite C

Manhattan, KS 66502

785-587-8798

The 21st Century Alliance is a producer organization that develops value-added agricultural business opportunities for over 750 members. The next five listings highlight the cooperatives that 21st Century Alliance has helped establish or is attempting to establish since its inception in 1995. For information about these individual cooperatives, contact the 21st Century Alliance.

21ST CENTURY GRAIN PROCESSING COOPERATIVE

Rincon, New Mexico

Kansas wheat producers formed together to purchase and remodel a flour mill located in New Mexico, which opened in 1998. This flour mill was a project of the 21st Century Alliance to add value to producers' wheat by further processing. Each share of stock purchased by members for \$5000 provides ownership in the flour mill and obliges them to supply 2850 bushels of wheat each year. About 550 wheat producers supplied \$2.7 million of equity stock to become members of this venture.

21ST CENTURY LADDER CREEK DAIRY COOPERATIVE, Tribune, Kansas

This 2600 head commercial dairy NGC was established in 1999. Common stock, with a minimum subscription of \$1.6 million to a maximum of \$2.5 million, was offered to members. Each share of stock purchased for \$1000 is associated with a delivery right and obligation of up to 280 bushels of corn per year or the equivalent in grain sorghum or alfalfa hay. A minimum of five shares must be purchased and a transfer of ownership of commodity may be used for this purchase.

21ST CENTURY WASHINGTON COUNTY DAIRY COOPERATIVE

Linn, Kansas

Another 21st Century Dairy Cooperative began operation in 1999 with 1400 head after \$1.3 million in capital was raised from producer members. Both of these dairies will be financed with about 40 percent of the capital as equity from members and the remaining 60 percent as debt from a lending institution.

21ST CENTURY BEAN PROCESSING COOPERATIVE

Sharon Springs, Kansas

The members of this cooperative will receive the average market price for their pinto beans as well as the value-added profits gained from processing and marketing their beans. They raised \$500,000 of equity; 30 percent of the required amount to purchase and renovate an existing processing facility. Members purchased a minimum of three shares at \$1500 per share for the right to deliver about 1000 hundred weights of beans per year per share.

GOLDEN FOREST AG FIBERS

Manhattan, Kansas

Another project of the 21st Century Alliance is a producer owned closed cooperative to represent all agriculture fiber producers. Sound technology exists to make a competitive wheat straw particleboard, as well as other industrial uses for wheat straw. In the future, other fiber from corn and grain sorghum may be used to produce paper or other products. Members have joined the Golden Forest Ag Fibers to participate in value-adding ventures as the opportunities arise. A specific project has not been selected and a capital subscription has not been solicited.

US PREMIUM BEEF, LTD.

Steve Hunt, CEO

10100 NW Executive Hills Boulevard

Suite 105,

Kansas City, Missouri

816-891-2300

www.uspremiumbeef.com

USPB was established in 1996 to develop a branded, high value, producer owned beef production system. In 1997 USPB entered into a pact with Farmland National Beef, a subsidiary of Farmland Industries. Farmland National Beef owns two premium brands—Farmland Black Certified Angus Beef and Farmland Certified Beef and also markets beef under the Certified Angus Beef brand. All three represent quality and price premiums that USPB leaders were seeking. In addition, USPB cattle are sold to Farmland National Beef according to a pricing grid, and members receive carcass data at no additional charge. This information is used to determine genetics and management practices that will produce the high quality beef consumers demand. USPB has over 1000 members in 28 states.

VALLEY VEGETABLES COOPERATIVE

Contact person: Lowell Thoman

Concordia, Kansas

785-243-1652

This cooperative, formally organized in 1999, has 34 members who are committed to growing at least 20 irrigated acres of sweet corn. Initial \$1000 membership fees were used for business organization and planning. Members also may purchase common stock and marketing rights for \$1000 an acre. When \$1 million to \$1.3 million of equity stock is collected, a processing plant will be built to handle about 1000 acres of sweet corn. The corn will be staggered for harvest from July through mid-September. Future plans include expanding the processing plant for more sweet corn acres as well as other kinds of vegetables such as peas and beans.

AMERICAN WHITE WHEAT PRODUCERS ASSOCIATION

Kent Symns, General Manager

PO Box 326

Atchinson, Kansas 66002

913-367-4029

In 1999 the AWWPA's board of directors decided to become a closed, new generation cooperative. Eventually the closed cooperative will have some share in a value-added processing enterprise. Current common stockholders will be required to own a delivery right, which will enable the AWWPA to act as a marketing agent for the product.

**OTHER COOPERATIVES
AND ALLIANCES:**

**SOUTHERN KANSAS COTTON
GROWERS CO-OP, INC.**

**Gene Latham, General Manager
P.O. Box 321
Winfield, Kansas
316-221-1370**

Over 200 cotton growers are members of this open cooperative, which began operation in 1997. It is a vertically integrated cooperative, which means producers own their cotton through the complete processing all the way to the denim factory and the oil mill. If a profit is made from processing, it comes back to the producers that are members of the cooperative.

**ALL NATURAL BEEF MARKETING
COOPERATIVE**

**Contact person: Diana Endicott
Rt. 1, Box 117
Bronson, Kansas
316-939-4933**

Americans are becoming more health conscious about their diets. All Natural Beef is marketing naturally produced beef to upscale consumers in the Kansas City region in response to this trend. This closed cooperative has discovered a market with great potential for dry-aged beef that is free of artificial hormones and antibiotics. Growers receive a premium price for providing these characteristics.

ROLLING PRAIRIE ALLIANCE

**Contact person: Dan Nagengast
966 E 800 Rd.
Lawrence, KS 66047
785-748-0959**

This alliance of eight growers was established in 1993. They provide a subscription service of vegetables, fruits, herbs and flowers from mid May through October to 350 customers in the Lawrence and Kansas City area.

**CEN KAN, LLC
c/o Farmers Grain Cooperative
Dave Studebaker, General Manager
P.O. Box 177
Walton, KS 67511
316-837-3313**

Cen Kan was created in 1990 and is an alliance of 11 central Kansas cooperatives to expand into value-added processing of agricultural products. Cen Kan partners with Prairie Forrest Products to produce particle board from wheat straw, which is used in furniture, sheeting, palleting, shelving and other uses. Current production uses 10,000 tons of wheat straw each year.

TALLGRASS PRAIRIE PRODUCERS

**Contact person: Annie Wilson
R.R. 1, Box 53
Elmdale, Kansas 66850
316-273-8301**

This cooperative was established in 1995 by about ten family ranchers. The cooperative marketed all natural, free-range grass-fed beef through natural foods distributors in 23 states. Currently, TallGrass Prairie Producers are not marketing beef, but plan to reorganize.

**AGRAMARKE
Daryll Jamvold, CEO
509 Main
P.O. Box 76
Everest, KS 66424
785-548-7690**

AgraMarke, Inc. is a unique growers association with a focus on quality production and identity preservation. They are organized as a farmer owned, non-profit, marketing cooperative comprised of progressive, forward thinking producers with high integrity and a commitment to quality.

OTHER COOPERATIVES AND ALLIANCES: (CONT.)

KANSAS ORGANIC PRODUCERS ASSOCIATION

**Edward Reznicek, General Manager
Rt. 2, Box 23
Goff, Kansas 66428
785-939-2032**

The KOP is an organic grain marketing cooperative with about 45 active members marketing organic corn, wheat and soybeans. They are examining organic dairy production on existing Kansas family farm dairies. The organic milk could be marketed and distributed through an alliance with the Coulee Region Organic Producers Pool.

PRODUCER GROUPS IN FORMATION STAGES

SOUTHWEST KANSAS AGRICULTURE PRODUCERS ALLIANCE (SWAPA)

**Contact person: Jason Dale
PO Box 394
Hugoton, KS 67951
316-544-4846**

A group of approximately 25 producers in Southeast Kansas formed in the spring of 1999. SWAPA's future plans are to study the feasibility of a grain storage facility with the capability of handling identity preserved grains. Long-term plans are to explore the feasibility of ownership in some type of processing.

LAND TO HAND ALLIANCE

**North Central Kansas Ag-Marketing Cluster
Contact person: Claire Homitzky
PO Box 141
Minneapolis, KS 67467
785-392-3162**

This alliance was formed in 1999 to educate and assist producers in direct marketing. They envision a cooperative subscription service that will provide food and farm products directly to consumers.

21ST CENTURY CORN COMMITTEE

**21st Century Alliance
Chris Williams, VP of Operations
315 Houston St. Suite C
Manhattan, KS 66502
785-587-8798**

The 21st Century Alliance is exploring the economic feasibility of processing and bagging food-grade yellow and white corn for Kansas corn producers. If the project proves to be feasible, a corn growers' cooperative will be developed with a facility based on transportation systems, supply of corn and the market for corn flour.

NW KANSAS FEEDSTUFF ALLIANCE

**Contact person: Mike Cochran
1219 Caldwell
Goodland, KS 67735
785-899-6543**

This group is exploring group action for the marketing of hay and other feedstuffs to potential customers in their region.

NICODEMUS WHEAT FLOUR COOPERATIVE

**Sharyn Dowdell, Secretary
RR. 2 Box 132
Nicodemus, KS 67625
785-425-6775**

Kansas Black Farmers Association is exploring a specialty flour market for a value-added wheat product. Interested members are working to legally form as a group and identify processors that can co-pack this product for them.

MIDWEST HERB GROWERS

**Contact person: Rhonda R. Janke
Dept. of Horticulture, KSU
Manhattan, KS 66506
785-532-0409**

The goal of this project is to establish a marketing cooperative to coordinate sales of certified organic, high quality Echinacea and other medicinal herb products. Their goal is to begin marketing in 2000. Eventually, processing and marketing Midwest herbal products is planned.