



November 14, 2022

The Honorable Debbie Stabenow
Chair
Committee on Agriculture, Forestry and
Nutrition
United States Senate
Washington, D.C. 20510

The Honorable John Boozman
Ranking Member
Committee on Agriculture, Forestry and
Nutrition
United States Senate
Washington, D.C. 20510

Dear Chairwoman Stabenow and Ranking Member Boozman,

For more than a century, cooperatives have been an integral component of the fabric of rural America, helping farmers gain access to markets, sustaining locally owned small businesses, and electrifying rural homes. Co-ops are integral to the vitality of rural communities and have the potential to play an even greater role in rural small businesses, energy, infrastructure, and housing.

Currently, electric Co-ops serve 42 million people and operate in 92% of persistent poverty counties across the country, ensuring affordability and accessibility in places that would otherwise have substandard service. This becomes more relevant in today's context as people increasingly look to co-ops to provide access to high-speed internet. And in Agriculture, according to USDA's most recent data, there are nearly 2000 farmer co-ops, with the majority of America's 2 million farmers and ranchers belonging to one or more farmer cooperatives. People in rural communities have used the cooperative business model to bolster small businesses, create more affordable and stable housing (including with innovative cooperative manufactured home strategies), and care for dependent individuals. Across sectors, co-ops can be a tool for self-empowerment to drive locally-led solutions, particularly in communities that have been under-served or marginalized.

People turn to cooperatives for three primary reasons: to address market failures where neither the private sector nor the government provide a needed service; to help small players gain parity with large, investor-owned competitors; and to give consumers a deliberate choice of enterprise to better meet their common needs and aspirations.

Co-ops are businesses that are owned and controlled democratically by members from which benefits are derived and distributed equitably. Compared to other business models, co-ops across sectors:

- ✓ Reinvest back into the local economy at higher rates
- ✓ Create and maintain local jobs
- ✓ Source more local goods
- ✓ Empower member-owners to be more civically engaged
- ✓ Have greater business longevity

The Rural Development and Energy titles of the 2023 Farm Bill present unique opportunities to ensure even more people in rural communities can use cooperatives to solve problems and create economic opportunities in areas such as the care economy, energy and environmental services, housing, and converting small businesses to consumer or worker owned cooperatives. In the next Farm Bill, key priorities include:

- Ensuring current and new Rural Development and Energy programs specifically authorize and prioritize projects that utilize cooperatives;
- Streamlining and improving the Rural Cooperative Development Program so that USDA is able to administer multi-year awards, provide access to critical co-op development services to all 50 states, and support co-op development as a key strategy to revive rural economies; and
- Reauthorizing the Interagency Cooperative Development Working Group so that USDA can continue to work with other federal agencies to ensure all federal policy is able to use the power of cooperatives to address challenges in rural communities.

Rural Development Programs are crucial for our rural communities. As Congress begins shaping the Rural Development and Energy titles of the 2023 Farm Bill, NCBA CLUSA urges Congress to create new opportunities for capacity building in rural communities granting small towns equitable access to federal funding and resources while prioritizing cooperative businesses and equipping rural people and communities with the tools to drive a robust, prosperous rural economy.

In appreciation and cooperation,



Doug O'Brien
President and CEO
NCBA CLUSA