



December 11, 2018

The Honorable Sonny Perdue
Secretary
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250
(sent via email to the Executive Secretariat)

Dear Secretary Perdue:

We write on behalf of the National Cooperative Business Association CLUSA International (NCBA CLUSA) and the National Council of Farmer Cooperatives (NCFC). NCBA CLUSA is the apex association for cooperatives in the United States that serves as a voice for cooperative businesses and the more than 130 million people who are members of cooperatives and credit unions. NCFC is the voice of America's farmer cooperatives whose members consist of regional and national cooperatives, which in turn consist of more than 2,000 local farmer cooperatives across the country. As you know, cooperatives continue to play a critical role in providing economic opportunity to farmers and people in rural communities as they have for generations - whether by providing scale and access to markets in agriculture, affordable and reliable electricity with rural electric cooperatives, reliable financing with the Farm Credit Institutions and so much more.

We read with great interest and some concern the letter to Chairman Aderholt dated November 30, 2018, providing detail on the reorganization of the Rural Development Mission area. We appreciate your efforts to focus on mission and customers by reorganizing programs that are so critical to people who live in rural communities, and we write today to emphasize the importance of continuing that mission to help rural people establish and successfully run cooperatives.

The Department of Agriculture has a long history of supporting cooperatives through research, technical advisory assistance, help for newly organizing cooperatives, writing and dissemination of reports and educational materials, and maintaining statistics on cooperatives. These services, which originally focused primarily on agriculture and credit, were supported by Congress as early as the Cooperative Marketing Act of 1926 and have been augmented by subsequent legislation.

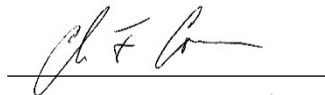
With the proposed restructuring of RBS into Loan Programs and Grants Programs, we have concerns about the continuity and future of the work that is currently undertaken at Cooperative Programs, particularly the support for development, legal, tax, survey and statistics work specific to cooperatives. From a former staffing level of about 75 cooperative specialists, the program today is down to only a handful of dedicated staff doing the functions noted above. We would like more information about how the reorganization will continue and hopefully bolster your work to support existing and new cooperatives through those activities.

The work continues to be deeply important and relevant. For example, a survey by the Cooperative Foundation in 2015 found that the USDA produced the most highly valued cooperative education material in the field. In another example, USDA leads the federal family in the work of the Interagency Working Group for Cooperative Development - a cross agency effort required by Congress with external stakeholders to ensure agencies beyond USDA understand how cooperatives can help people across the nation capture more opportunity and solve problems.

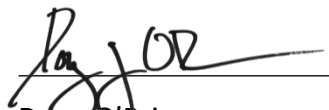
Today, more and more people are looking to cooperatives to help rural people address challenges related to broadband, home care, and the conversion of small businesses to cooperatives as the baby boomer generation transitions. With the challenges and opportunities that rural people face, now is the time to support their efforts to use cooperatives to help rural communities thrive.

We look forward to meeting with you or your staff soon to learn more about how USDA will continue to support cooperatives in rural places.

Sincerely,



Chuck Conner
President & CEO
NCFC



Doug O'Brien
President & CEO
NCBA CLUSA

Cc: Anne Hazlett, Assistant to the Secretary for Rural Development
Bette Brand, Administrator, Rural Business-Cooperative Service