

COOPERATIVE DEVELOPMENT CHALLENGE

CAREER DEVELOPMENT EVENT

PURPOSE

The Tennessee FFA Cooperative Development Challenge provides competition that fosters information assimilation, critical thinking and problem-solving skills necessary to successfully develop career skills toward participating in, starting up, or managing a cooperative. The Tennessee FFA Cooperative Development Challenge enhances and encourages opportunities for all participants to receive instruction that develops cooperative management skills.

OBJECTIVES

The event objectives are for participants to demonstrate their ability to:

- A. Understand the Cooperative Business Model
- B. Apply economic principles and concepts of cooperative business management to the decision-making process.
- C. Evaluate cooperative business management decisions.
- D. Work together cooperatively as a group.
- E. Further the awareness of cooperatives in the local community.

EVENT RULES

TEAM OF: 4 FFA members

OFFICIAL DRESS APPROPRIATE: Yes

STATE PARTICIPANTS: Open to all chapters

MATERIALS NEEDED: All materials needed for presentation (*will vary*)
(ON DAY OF THE EVENT) No. 2 pencils

FORMAT

This event consists of the following components:

A. Cooperative Portfolio

B. 2 (minimum) Local Cooperative Presentations
C. Cooperative Portfolio Presentation

INDIVIDUAL

D. Written Exam

A. Cooperative Portfolio

Teams will research the need for and then develop a cooperative designed to provide benefits to cooperative patrons. The teams will maintain minutes for all board meetings and will build and maintain financial records. Teams should have meeting minutes and financial records with them and be prepared to explain the records during the question-and-answer period of their presentation at the state event. Teams will develop a portfolio for submission and develop an oral presentation. **A pdf version of the portfolio must be emailed to the State FFA Office by the deadline set on the official calendar or will be subject to penalties (see *Official Rules and Policies, page 3 and Tips for Emailing Paperwork, page 9*).**

Portfolio Guideline:

1. Maximum ten pages single sided, not including cover page.

Portfolio Format:

1. **Cover page:** will include the title of the cooperative, the date of the state event, chapter name, chapter advisor name, and email address of chapter advisor.
2. **Cooperative Summary:** Make it clear that the team understands what a cooperative is, and how the cooperative business model differs from an IOF business model. It should be obvious to the judges how the team has implemented the cooperative business model. Clearly define the patrons and members of the cooperative. The cooperative summary will include a summary of the objectives of the cooperative as well as the following:
 - a. A clear classification of the cooperative. Is it a marketing cooperative or a supply cooperative?
 - b. A clear description of the market problem solved by the cooperative.
 - c. A clear description of how the cooperative is operated for the benefit of patrons (i.e. patronage refunds, return on equity, or favorable prices) and an explanation as to why a member would wish to join the cooperative. Clearly define who the patrons are and how they patronize the cooperative.
 - d. A description of the requirements for membership in the cooperative. Clearly define who is eligible for membership in the cooperative (ie. farmers, high school students, FFA members, etc...).
 - e. A description of the voting mechanism used by members to control the cooperative (i.e. one person one vote vs. one share one vote)

- f. A description of the governance structure. How does the cooperative elect board members, who is eligible to serve on the board and how long do they serve.
 - g. A description of how members provide economic support for the cooperative (i.e. small up-front membership fee, stock/shares, retained patronage refunds).
 - h. Cooperatives have a duty to educate; explain the ways the cooperative has exercised this duty.
 - i. Explain how the cooperative has cooperated with other cooperatives.
 - j. Explain how the cooperative has shown concern for the community.
3. **Financial records:**
- a. Beginning and Ending Balance Sheet for the previous fiscal year (i.e. Jan 1 and Dec 31 of last year)
 - b. Income Statement (a.k.a. Profit and Loss) for the previous fiscal year. If appropriate include the beginning and ending inventory and the cost of goods sold.
4. **Evaluation:** Explain how the cooperative has either succeeded, or failed, in providing benefits to the patrons.
5. **Bibliography:** of all resources and references cited which may include personal interviews and any other supporting material
6. **Presentation documentation:** proof of presentations to at least two local civic groups prior to the state event, in the form of:
- a. Letters from organizations
 - b. News articles
 - c. Photos showing attendance at presentations (3x5 or 4x6)
 - d. Scrapbook
7. **Relevant Course Work:** A list course(s) in which instruction occurred related to business and cooperative concepts.

B. 2 (minimum) Cooperative Presentations Locally

After the cooperative has been developed, the team should develop a presentation to first give to at least 2 local civic or cooperative organizations.

Documentation should clearly state when, where and to whom the presentations were made and indicate how many community members were in attendance at each of the presentations. A chapter must have a minimum of two high quality public presentations and a maximum of one high quality presentation to a school audience prior to their state event in order to receive the maximum of 15 points.

Multiple organizations attending the same presentation will count as one presentation. If more than one presentation is held on the same day, the starting time of each presentation must be independently documented.

Portfolio judges may take into consideration the quality and quantity of presentations made to audiences. No points will be awarded for extra school presentations to teachers and students. In addition, no points shall be awarded for presentations made as any part of a local or state FFA competition.

High quality presentations are those presentations made to community groups that would have an interest in cooperatives. High quality presentations can also be with smaller numbers of individuals who hold elected, appointed or some other official position that will be making decisions that may have an impact on cooperatives.

Low quality presentations would include dropping in at a local business and giving your presentation to the workers or going to the home of one of the parents to make a presentation. Low quality presentations will receive zero or minimal points.

C. Cooperative Development Presentation

Presentations at the state event are to be a maximum of 15 minutes which includes a 5-minute question and answer period at the end. The purpose of the presentation is to explain to the judges how your cooperative provides benefits to your patrons and why a member would be willing to make an investment in your cooperative. Assume that the judges are potential members and/or patrons of your cooperative. Explain to the judges why they would want to invest in and patronize your cooperative.

D. Individual Activity

The written exam test individual team members on concepts related to cooperatives. Team members work independently to complete the written exam. Thirty minutes is allowed for completion of the written exam. The written exam will consist of 20 or 25 multiple choice questions.

SCORING

SECTION	POINTS
Written Exam	100 (average of 4 scores)
Cooperative Portfolio	100
Cooperative Development Presentation	100
TOTAL:	300

TIEBREAKER

Judges will break ties on team scores using the following sequence:

1. Written exam average
2. Highest written exam score

AWARDS

The top two teams will be recognized and awarded a plaque at the State FFA Convention.

Educational Material

Everything you need to know to be successful can be found here:
https://youtube.com/playlist?list=PLXMQPKW64--yQt6n_i3ZYO_OXE4JErGgx&si=x5ZCX2OBPEMchz6o