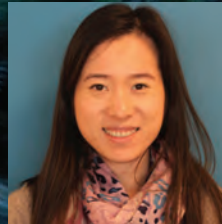


listen  
learn  
lead



2013 ANNUAL REPORT

**NCBA**  
**CLUSA**

National Cooperative Business Association  
CLUSA International



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# Message from the Chair and the President & CEO

## Renewal

It has been a year of renewal and revitalization for NCBA CLUSA. After two consecutive years of deficits, with a loss of nearly \$190,000 in 2011 and just over \$660,000 in 2012, NCBA CLUSA made a resilient return to profitability in 2013.

As the new senior management team focused on recovery in 2013, financial results shifted more than \$1 million, taking NCBA CLUSA from deep deficits to a net income of nearly \$300,000 in one fiscal year. This was achieved through a complete restructuring of the organization and its international programs finance support, coupled with cutting expenses, better adherence to budgets, and new lines of income and revenue all worked in unison to make this shift possible.

The result is clear. NCBA CLUSA has entered into a new beginning, focused on increasing membership value, broadening legislative advocacy, and harnessing the uncommon power of common purpose. Taking an active role in securing the future for cooperative business across the nation and around the world.

For 2014, NCBA CLUSA is focused on increasing the number of members, services provided, and stability in income as senior management looks to build on the strong foundation established by the successes 2013.

## New Strategic Vision

In 2013, the Board of Directors and the senior management team embarked on the development of a new, more robust strategic plan. Focusing on the next three years, the plan centers on two key goals:

### Increase the Value and Impact of NCBA CLUSA

Throughout its 98-year history NCBA CLUSA has enhanced the cooperative movement and fought to ensure its continued success. NCBA CLUSA will grow and engage membership in this continued work, establishing the organization as the primary voice for cooperatives across all sectors. Time, attention, and resources will be allocated to establish a niche in the community for education and conferences. NCBA CLUSA will enhance its advocacy role at the federal level with increased engagement with legislators and staffers. A reenergized focus on new business strategies for building partnerships and alliances will be implemented. NCBA CLUSA will engage the U.S. cooperative leaders in the international programs and organizations that represent cooperatives.

### Strengthen the NCBA CLUSA Infrastructure and Capacity

At the core of all NCBA CLUSA accomplishes are the many and diverse systems and processes that inform decision-making and next steps. Bolstering these systems provides the much-needed support to



Mike Beall  
President & CEO  
NCBA CLUSA International



Jerry McGeorge  
Chairman of the Board  
NCBA CLUSA International

achieve the organization's strategic goals. This will be achieved through transparent and timely financials providing an immediate picture of the organization's financial health. Building capital and extinguishing debt will further strengthen the infrastructure. Along with financial systems, communication and core data systems will be implemented to support operations.

A dedicated monitoring and evaluation system will help capture the work that is being done both in international development and in U.S. cooperatives. Human capital is an organization's most valuable resource and NCBA CLUSA will focus on fielding a well-trained, highly satisfied staff. Leading that staff will be an informed, visionary, and strategic governing body. This infrastructure plan will also look into the future structure of NCBA CLUSA to ensure proper planning and support are available for decisions that will need to be made in the years to come.

The Blueprint for a Cooperative Decade is being used to convene and facilitate cooperatives across all sectors and their national trade associations to a closer, more unified engagement of activities that showcase the principled efforts of cooperation among cooperatives.

## Convening and Facilitating

NCBA CLUSA has identified its core role in the cooperative movement as convener of the cooperative sectors, groups of cooperatives, and cooperative allies. This is all done in an effort to improve and grow membership in cooperatives, the resources and profitability of cooperatives, and the awareness of consumers and elected officials of the power of the cooperative model in support of the American family and the American economy.

Our efforts continue to strengthening the cooperative sector, focusing on the invitation to join NCBA CLUSA; to share, coordinate, and cooperate with all cooperatives, and to build on efforts to educate consumers, elected officials, and the current and future administration to better utilize the cooperative business model.

Jerry McGeorge  
Chairman of the Board

Michael V. Beall  
President & CEO

# Co-op Stats

NCBA CLUSA represents cooperative businesses from all sectors, diligently working to ensure that the cooperative business model. There are more than 29,000 cooperative businesses throughout the nation. The University of Wisconsin Center for Cooperatives provided the information below.

Approximately **29,000** cooperatives in operation today.

They sustain **2 million** jobs annually.

Contribute **\$652 billion** in annual sales.

Generate **\$150 billion** in income.

**50,000** American families rely on cooperative daycare and preschools for the care of their children.

**1 in 3** Americans are members of a co-op and collectively hold **350 million** memberships nationwide.

Possess **\$3 trillion** in assets.

**233 million** people are served by co-op owned and affiliated insurance companies.

**92 million** Americans turn to **7,500** credit unions for their financial services.

Most of the nation's **2 million** farmers are farmer co-op members and provide **250,000** jobs and \$8 billion in annual wages.

**42 million** Americans rely on electricity from **900** rural electric co-ops in **47** states, making up **42%** of the nation's electric distribution and covering **75%** of the nation.

**1.2 million** rural Americans are served by the **260** telephone cooperatives in 31 states.

We know that the cooperative model is a powerful tool in developing countries as well.

Worldwide, over a **billion** people belong to a cooperative.

# Membership



Members form the foundation of NCBA CLUSA. They provide valuable insight into the needs of cooperatives across the country and help champion cooperative issues in their local communities. In 2013, NCBA CLUSA refocused its membership efforts, initiating more opportunities for connection and collaboration. Significant realignments were made to the membership structure to better increase the efficiency of workflow, member engagement, and interaction. This new focus on core structure increased membership with more than 50 new members added in 2013, representing an additional \$32,000 in dues revenue.

A tremendous amount of focus was placed on reorganization and infrastructure, providing a strong, stable, and resilient foundation for all membership activities. Membership dues collected reached 84% of aggressive budget predictions, ending the year with \$714,115 collected out of the budgeted \$849,996. Overall, 2013 showed positive growth and validation of system wide enhancements.

The revitalized Associate Membership program was reintroduced in 2013 providing an opportunity for businesses that are not co-ops themselves, to become more connected with co-ops. These businesses share the cooperative views and principles and are looking for opportunities to work with cooperatives. In 2013, 13 businesses became Associate Members.

## Cooperative Business Associations

We continue to respond to local and regional groups nationwide that are interested in establishing Cooperative Business Associations, with the intent of creating local cooperative 'chambers of commerce' to drive the financial success of cooperatives in these associations, raise the profile of cooperatives in their communities, and foster cross-collaboration among cooperatives.

NCBA CLUSA is responding to requests of assistance in the organization of CBAs. Specifically, we are providing financial support, human resources and business planning expertise to nascent groups.

In 2013, we worked with the Valley Cooperative Business Association, an already established CBA that represents cooperatives in Western Massachusetts. We also supported the Austin Cooperative Think Tank in the establishment of the Austin Cooperative Business Association by providing business planning services and underwriting the first year's salary of their new Executive Director.

More than 20 cooperative groups across the U.S. have requested support to develop a CBA in their area. Looking forward to 2014, NCBA CLUSA will focus on three additional locations; Pennsylvania, New York, and Western Massachusetts.

## Delta Regional Market

In 2013 NCBA CLUSA repurposed its RCDG from USDA to support the development of the Delta Regional Market in partnership with Shreveport Federal Credit Union and the Federation of Southern Cooperatives.

To be situated in Marks, Mississippi, the Market will provide a basis for economic empowerment for the Delta community by establishing a highly visible location from which vendors can sell their fresh produce and other products on a year round basis. The Market will give vendors a source of income, provide access to healthy foods to the surrounding communities, and give regional shoppers a local place to make purchases, which will bring convenience and pride to the area.

## Strategic Partnerships

NCBA CLUSA has embraced its role as convener and facilitator among cooperative partners. In 2013 we connected with national organizations such as Cooperation Works! and the US Federation of Worker Cooperatives to strengthen our relationships and begin developing common agendas to advance cooperatives in all sectors.



The Austin Cooperative Business Association, ACBA, is a joint project between Austin-area cooperatives and the National Cooperative Business Association that aims to benefit and expand cooperative businesses in Central Texas. The ACBA plans to help increase the membership and profitability of cooperative businesses, connect compatible cooperatives and raise awareness of the benefits of cooperatives among consumers including economic development organizations, and state and local governments.



# Advocacy

NCBA CLUSA continues to amplify the voice of cooperatives at the national level, specifically through increased advocacy work on behalf of cooperatives sectors. NCBA CLUSA has been engaged in the major legislative issues facing cooperatives.

## Rural Cooperative Development Grant

In early 2013 NCBA CLUSA expressed its concern on behalf of rural cooperative development centers when the president's fiscal year budget proposed consolidation of the Rural Cooperative Development Grant funds, removing the one funding mechanism for rural cooperative development. NCBA CLUSA continually led the charge, working with congressional appropriators to reject the budget proposal and continue to fund cooperative development grants. As a budget deal was struck late in the year NCBA CLUSA took up the challenge to again reiterate the importance of continuous funding of the RCDG. These efforts led to a restored amount of \$26 million in the RCDG program, of which \$5.8 million was made available directly to cooperative development centers around the nation who provide critical technical expertise and support for the benefit of rural cooperatives and an additional \$3 million for the Small Socially-Disadvantaged Producer Grant (SSDPG). This funding drives economic growth and development, which in turn leads to job creation strengthening the economies of numerous rural communities throughout the nation.

## Tax Reform

In August of 2013, NCBA CLUSA sent letters to members of the Senate Finance and House Ways and Means Committees pressing for tax reform to retain the tax exemption for credit unions. Throughout the balance of the year, NCBA CLUSA convened and led multiple meetings with stakeholders in the cooperative community around the impact of tax reform proposals within the cooperative sector.

## Farm Bill

As Congress looked at renewing the Farm Bill in 2013, we continued to press for RCDG grants to be funded at existing levels. Out of these efforts, NCBA CLUSA led a key provision to create an interagency working group coordinated and chaired by the USDA to work with other federal agencies and local and national organizations toward improving cooperative development. Late in the negotiations, NCBA CLUSA drafted a letter to the Farm Bill principals in Congress reinforcing these priorities. The Farm Bill was passed with these provisions in place, validating the need for continuous advocacy on behalf of the cooperative community.

Moving forward, we plan to establish a congressional Cooperative Caucus as a forum to further educate and inform legislators on cooperatives and the cooperative sectors.



# Education

## Annual Meeting

LISTEN. LEARN. LEAD. — was the theme for the 2013 Annual Cooperative Conference held in Washington, DC at the Loews Madison Hotel. The conference brought together over 100 cooperators from around the country for informative sessions on issues that affect cooperatives.

Congressman Chaka Fattah from Pennsylvania's 2nd district delivered the Keynote Address and shared his passion for cooperatives and the positive impact they have on the community. Other sessions included discussions on issues and best practices in cooperative development, tax issues affecting co-ops, the role of youth in leading the next generation of co-ops, and a look into the future of successful business practices and decision-making that will move co-ops forward to achieve the most out of the Blueprint for a Cooperative Decade set out by the International Cooperative Alliance.

During this meeting a special evening reception was held recognizing 60 years of NCBA CLUSA's work in international development.



Congressman Chaka Fattah

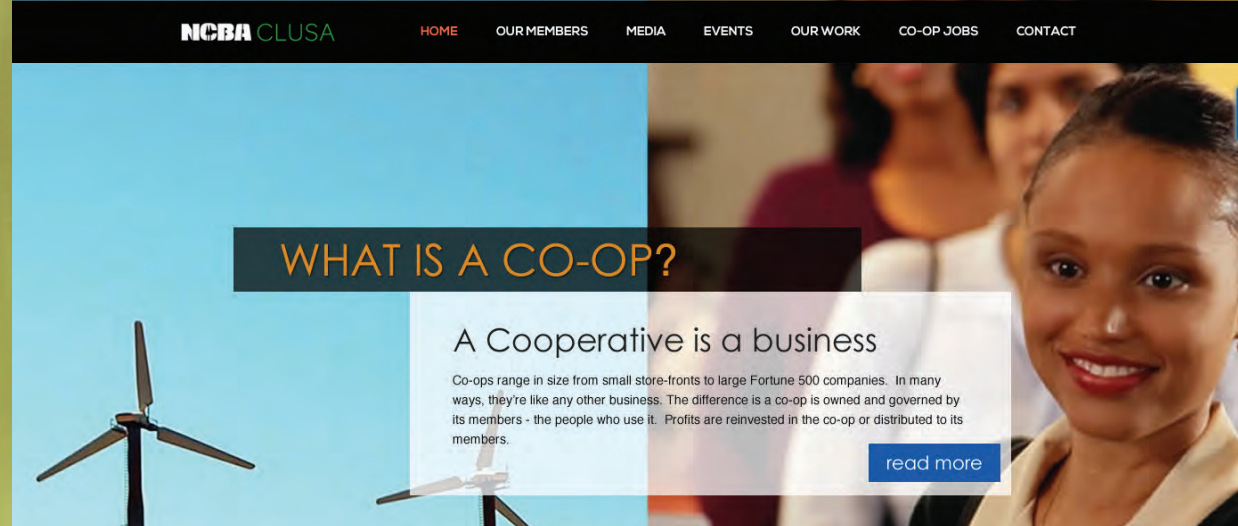
## Purchasing Conference

The "Windy City" of Chicago, Illinois was the host city for NCBA CLUSA's 2013 Purchasing Cooperatives Conference. Held at the W Hotel in downtown Chicago, the conference brought together purchasing co-op leaders dedicated to working, networking, and learning from fellow purchasing co-ops and businesses that support them. Sessions included the role of cooperatives in growing the cooperative economy, vendor relationship management, best practices roundtable, understanding the competition, and board governance.

The "Best Practices" panel discussion was moderated by Mike Beall, President & CEO of NCBA CLUSA and focused on the needs and support that can make purchasing cooperative businesses thrive in any economy.

Plans are underway for 2014 as the Purchasing Cooperatives Conference and the Annual Cooperatives Conference will be held in Minneapolis, Minnesota. These two conferences will overlap for one day providing a unique opportunity for both audiences to network and collaborate.





### Webinars

Thought leadership is an important aspect of NCBA CLUSA's long-term growth goals. As convener, NCBA CLUSA provides the opportunity for our members and the cooperative public to learn about issues within the cooperative space. This value continues to be enhanced, adding to the knowledge base critical to success in all cooperative business practices.

Within NCBA CLUSA's rich and diverse membership, talented individuals and organizations can share their innovations and experience with co-ops who can use those hard-learned lessons to avoid pitfalls or boost performance.

Throughout 2013, NCBA CLUSA offered webinars to educate both its membership and the greater cooperative community on issues ranging from instructional to inspirational.

In 2014, a more focused program will be introduced to enhance participation and provide greater benefit to all members.

### Cooperative Business Journal

For the past 25 years, the award-winning *Cooperative Business Journal* (CBJ) has been providing news, keen insight, and helpful information about and for cooperatives and their communities around the country. However, subscriptions had plateaued over the last 10 years with negligible and sometimes negative growth.



In March of 2013, the senior leadership team, along with the editor of the CBJ made the decision to change the format of the publication, taking it from a bi-monthly (6 issues a year) printed document to a weekly online publication. Renamed the CBJonline (CBJo), this virtual format has provided the opportunity to imbed video, take surveys and polls, capture current information, and publish news as it happens. Now subscribers can forward specific articles or the entire issue, further expanding the reach of CBJ on a weekly basis.

This strategic move has nearly doubled the distribution, with a list of more than 4,000 individual subscribers, proving to be a great source for cross sector news and information for the cooperative community.

### New Website

Introduced in August of 2013, NCBA CLUSA unveiled a newly imagined website for both the trade association and the international development teams. This newly redesigned website provides a unique user environment that cuts across cooperative sectors, connecting cooperators to each other and encouraging coop to coop interaction.

Focused on sharing events, news, and information, the new site, www.ncba.coop, has been redesigned at its core and provides visitors and members with a way to interact with the cooperative community. The inclusion of full social media integration allows visitors to share comments and stories on Facebook and Twitter from each page of the site, providing instant connectivity to likeminded friends and colleagues.

The "Our Work" section provides an overview of the activities domestically and internationally and includes information on current advocacy efforts taking place, educational webinars, upcoming conferences, and NCBA CLUSA certifications.

"NCBA CLUSA is setting out to be the platform for communication for all cooperatives, and our new website is a place for folks to go and really see what's going on in the coop community domestically. It is important for our members and the community at large to understand the kind of cooperative development work we're doing in the U.S. and the results we are producing in our humanitarian development work and how they can get involved." —Mike Beall, president and CEO of NCBA CLUSA

The Media section offers archived copies of the *Cooperative Business Journal Online* (CBJo), allowing visitors to read past publications and share them with friends and colleagues. Also included in this section are videos, press releases, and links to the NCBA CLUSA's official social media pages. Members can upload their own press releases to be posted on the site, reaching the wider cross-sector cooperative community.

Another feature is the Jobs Board posting that gives coops a way to get their job posting in front of thousands of cooperators across all sectors. This feature is available to both members and non-members and is a great service to enhance the visibility of your job posting.

# International Development



NCBA CLUSA's support of international communities began in 1945 when we participated in the founding of CARE (Cooperative for American Remittances to Europe) to aid in rebuilding war-torn Europe. In 1953, NCBA CLUSA began working with Indian farmers to form a cooperative helping to revolutionize the nation's fertilizer industry. Today that cooperative, known as the Indian Farmers Fertilizer Cooperative Limited (IFFCO), is the largest member-owned fertilizer cooperative in the world.

## 60 Years of Changing Lives

In 2013, NCBA CLUSA celebrated 60 years of international development, highlighting the work we have done in partnership with local people in more than 100 countries, implementing over 200 programs that transform rural communities, build democratic institutions, and provide technical assistance to group businesses, civil society organizations (CSOs), non-governmental organizations (NGOs), local governments, farmer associations, and cooperatives.



## President Obama Visits Flagship Project in Senegal

In late June 2013, United States President Barack Obama, along with the head of USAID, Rajiv Shah, toured a food security expo in Senegal highlighting projects from the Administration's flagship Feed the Future initiative. NCBA CLUSA is the lead implementer in the USAID-funded Yaajeende project and was one of six booths that directly reported results to President Obama.

Speaking with Obama, NCBA CLUSA's Senior Technical Advisor Pape Sene explained the various uses and nutritional power of the fruit from the Baobab tree that is being used in the project to boost nutrition and help with the absorption of other vitamins and minerals. Pape Sene has been with NCBA CLUSA for more than 30 years and has been nominated for induction into the 2014 Cooperative Hall of Fame.

## \$70 Million Award for Niger & Burkina Faso

In December of 2013 NCBA CLUSA signed a five-year, \$70 million cooperative agreement with the United States Agency for International Development (USAID) to bring resilience and economic growth to individuals and families in the Sahel regions of Niger and Burkina Faso.

This project is known as Resilience and Economic Growth in Sahel – Enhanced Resilience (REGIS-ER) and will benefit more than 2 million vulnerable people through NCBA CLUSA's integrated approach, which addresses the diverse structural causes of chronic food insecurity and nutritional vulnerability in the Sahel region of West Africa.

REGIS-ER builds on a number of NCBA CLUSA's sustainable development programs in both countries that have modeled approaches to resilience programming—most recently, the ARZIKI project, focusing on food security, natural resources management, and climate change adaptation, and the moringa value chain project working with women on cultivating and marketing this nutrient-rich plant. NCBA CLUSA started working in Niger in 1985 and Burkina Faso in 1993, establishing

community-based health services, developing effective rural organizations, linking farmers to input suppliers and buyers, promoting strong and dynamic markets, and improving household incomes.

NCBA CLUSA's international development work focuses on four sectors that are at the core of sustainable development:

### Food Security, Nutrition & Agriculture

Food insecurity stems from more than just a lack of food. NCBA CLUSA integrates agriculture with health, nutrition, natural resource management, and democratic governance to create comprehensive, long-term solutions that foster household and community resilience. NCBA CLUSA works with stakeholders, organizations, and local governments to develop the structures, skills, and policies necessary to ensure the sustainable success of interventions.

Through the Community-based Solution Provider (CBSP) innovation, NCBA CLUSA trains and links local agents with private-sector entities and local communities to provide products and services that facilitates good agriculture and sound nutrition. CBSPs deliver critical agricultural training products and services such as land preparation, spraying, irrigation maintenance, livestock vaccination, crop maintenance that improves health and nutrition. CBSPs earn fees from producers for services delivered.

*It was a great opportunity to share the success of this program with President Obama. He was intently listening, and focused and understood the importance of the linkage between health and nutrition," said Pape Sene. "President Obama was very impressed with the work that NCBA CLUSA is doing here in Senegal."*

### Democracy & Governance

Effective governance results when citizens and governments work together using transparent and participatory methods to identify priorities and improve public policy and services. NCBA CLUSA bases its democracy and governance programs on four key principles: (1) democratic governance grows strongest when built from the base; (2) citizen participation should result in tangible benefits; (3) good governance is about improving lives; and (4) an engaged, transparent local government benefits from the trust and support of its constituents.

In Kenya, through the USAID-funded Yes Youth Can! program, NCBA CLUSA has empowered over 1 million Kenyan youth to participate effectively in political leadership and governance while building their entrepreneurial skills to engage in livelihood activities that will enhance their socio-economic base.

### Natural Resource Management

In 1985, NCBA CLUSA adopted a holistic approach to natural resource management (NRM), training local communities in the management of their natural resources, long before such an approach was widely accepted. NCBA CLUSA promotes the voice of the local community in the governance of resources and maximizes revenue through sustainable commerce in NRM products.

Through our commitment to protecting the environment, NCBA CLUSA is one of the leading pioneers of utilizing Conservation Agriculture (CA) to enhance food security and increase household income while mitigating the negative effects of climate change.





# 2013 Project Profiles

“I greatly appreciate this experience and will remember it for the rest of my life!”

— Amy Rapp, Farmer-to-Farmer Volunteer

## Community-based Health

Helping communities design and implement low-cost solutions to improve community health is a significant part of NCBA CLUSA’s work. Solutions to health problems are more effective and sustainable when local communities identify their most pressing health problems and work together to seek remedies. NCBA CLUSA’s interventions focus on expanding access to health services by creating and strengthening community-based institutions and linking these grassroots institutions with local service providers.

Working in Kenya since 2001, NCBA CLUSA has trained village and community health workers to provide access to basic health services formerly not available to remote communities. NCBA CLUSA is building a sustainable path toward improved access to health services based on local engagement founded on cooperative principles.

## Farmer-to-farmer Program

NCBA CLUSA provides an opportunity for American farmers and agribusiness professionals to assist farmers in Senegal and Zambia through the USAID-funded Farmer-to-Farmer volunteer program. NCBA CLUSA draws upon a pool of volunteers knowledgeable in agriculture, cooperative development, finance, insurance, energy, technology, and housing.

Most volunteers are not international development professionals. They are farmers and agribusiness professionals who work in the fields in which they provide training.

With no agenda other than a desire to help people, our volunteers provide training in cooperative development, soil fertility, integrated pest management, millet processing and warehousing, agricultural marketing, and many other topics. NCBA CLUSA provides logistical and financial support for each volunteer’s mission while in the country. Program staff travels with each volunteer to translate and aid the volunteer in applying his/her skills to each situation.

## Cooperative Development

Cooperatives, businesses that are democratically owned and governed by those they serve, are powerful tools for local development. NCBA CLUSA’s approach to cooperative development is premised on the belief that local ownership and broad participation empowers communities to sustainably address their most pressing economic and social needs. NCBA CLUSA’s activities range from helping groups establish new cooperatives and other group enterprises, to building institutional capacity of these businesses, and to enhancing the scale and salience of cooperatives and other member-owned businesses.

Through the USAID-funded Cooperative Development Program (CDP), NCBA CLUSA works with indigenous cooperatives and local government to create and scale workable solutions to key cooperative development issues including food security, legal and regulatory reform, sustainable trade relationships, and knowledge management. Since 2004 NCBA CLUSA has implemented the CDP Program in Haiti, Indonesia, Kenya, Latin and Central America, West Africa, Angola, and Mozambique.

## Consolidating Cooperative Agribusiness Recovery (COCAR) Expansion of Rehabilitation Activities

This four-year, US\$7.2 million USAID project to strengthen and diversify the agricultural economy of East Timor is improving food security, conserving natural resources, and providing basic health services to rural families in the Southeast Asian country. Implemented in 2010 in close cooperation with East Timor’s farmer-owned Cooperativa Cafe Timor (CCT), the project is expanding the cassava, cocoa, agroforestry, cattle, health and coffee sectors. The coffee-based cooperative is now the country’s largest agricultural entity and its leading private employer. Membership now totals close to 25,000 smallholder farm families.

## USDA High Value Crop Promotion

This project is working to promote high-value crops across Timor Leste through market access and improved management. The project focuses on cocoa, coffee, spices, and other food crops. This project reaches 12,000 farmer families. Total budget: \$7.5 million, 4 years.

## Resilience and Economic Growth in Sahel-Enhanced Resilience (REGIS-ER)

In the Sahel region of Burkina Faso and Niger, this five-year, US\$70 million USAID project is expected to impact more than 2 million beneficiaries by curbing the prevalence of poverty and severe hunger among vulnerable, low-income households. The project was launched in 2013, on the cusp of a food security emergency triggered by dry spells and an ensuing spike in crop prices. It aims to strengthen resource

management, introduce new technologies to help beneficiaries better adapt to climate change and other emerging challenges, and provide a path toward long-term resiliency for the people of Burkina Faso and Niger. The project also aims to measurably improve nutrition levels among an estimated 1.5 million children in the region.

## Cooperative Partnership for High Value Small Farmer Education, Value-Added Processing and Marketing in Targeted Areas of Indonesia (CAPP)

Targeting small farmers in Papua, West Timor, South Sulawesi and other eastern Indonesian provinces, this US\$2 million project funded by USAID is behind a steady upturn in the production and marketing of high-value crops in the region, such as coffee, cassava, black pepper and vanilla. Launched in 2012, the three-year project is expected to increase employment and income for 5,000 farmers in the country. The project is strengthening existing agricultural cooperatives and establishing viable marketing channels and partnerships in the region.

## APHIA

This four-year health intervention project in Kenya is sparking a “tremendous improvement in the hygiene and sanitation standards of Mombasa County,” according to USAID Kenya Representative Ernest Ouman. The US\$3.4 million project, funded by USAID, was launched in 2011 and continues to ensure that health services not only reach, but also empower the most vulnerable and marginalized community members. APHIA also includes income-generating programs, such as soap-making, juice extraction, and poultry-keeping.



### **Yes Youth Can (YYC)**

An initiative providing shelter and social welfare for street-children vulnerable to physical, sexual, and drug abuse is a highlight of this \$US1.9 million, USAID-funded project in Nairobi, Kenya. Yes Youth Can, a two-year project launched in 2009, engaged young people in partnerships with government entities, foundations, donors and the private sector as they implemented community service and economic development projects. By its conclusion in 2011, Yes Youth Can had trained and empowered 21 local youth networks and 440 youth groups—grooming thousands of disadvantaged young people for future employment, entrepreneurship and community leadership. This program has since been extended through the year 2014 and covers both the Nairobi and coastal regions.

### **Conservation Agriculture Promotion (PROMAC)**

Funded by the government of Norway and launched in 2009, this US\$14 million project is addressing endemic food security problems in Mozambique by training 54,000 farmers in conservation agriculture techniques proven to boost yields, profits and soil fertility. Through methods such as crop rotation, smallholder farmers are expected to produce between 40 and 50 percent more food by 2014. PROMAC's integrated approach also provides Functional Basic Adult Literacy Education to 14,000 farmers and secures land tenure rights for another 14,600 farmers.

### **Namibian Conservation Agriculture Project (NCAP)**

The conservation agriculture and early planting techniques recommended by this US\$2 million, USAID-funded project helped farmers in Namibia not only withstand, but thrive during a national drought emergency in 2013. One lead farmer reported a bumper crop of 9,000 pounds (4,600 kg) of millet per 2.5 acres (1 hectare). The national average during a non-drought year is 660 pounds (300 kg) per 2.5 acres (1 hectare). NCAP is teaching more than 10,000 farmers how to maximize rainwater retention, protect soil fertility and increase crop productivity by 2015. The project is also training tractor drivers and owners to implement conservation tillage practices. The project started in 2012 and is projected to end in 2015.

### **Resilience Agriculture Interventions in Namibia (RAIN)**

This US\$945,000, USAID-funded project is diminishing the effects of recurrent droughts and bolstering food security by introducing Namibian farmers, community members and students to climate-smart agriculture methods. One method, called conservation tillage, funnels rainwater directly into the furrow so the roots of the crop receive the maximum benefit. The project is also introducing the Keyhole, or Kitchen Garden, method to an estimated 20,000 students and community group members. With several layers of compost, Keyhole Gardens are drought resistant. These gardens are expected to provide a supplementary food source to schoolchildren while equipping them with the skills to grow their own fruit and vegetables. The project started in 2013 and runs through 2015.

### **Farmer-to-Farmer (F2F)**

This project sees American farmers and agribusiness professionals sharing their expertise during multi-week assignments in Senegal. The US\$1.6 million project runs from 2013 to 2018 and promotes sustainable economic growth and agricultural development. The knowledge that farmer-to-farmer volunteers provide is boundless, never breaks down, is never misspent, and is transferrable, making it the ideal investment. Recommendations from these volunteers are helping smallholder farmers improve yields, access new markets, and conserve environmental and natural resources.

### **Agriculture and Nutrition Development Program for Food Security in Senegal (YAAJEENDE)**

In a country that imports close to 70 percent of its food, this five-year, \$40 million, USAID-funded project realizing Senegal's rich agricultural opportunities is vital. Launched in 2010, the project is addressing the underlying factors that hinder the very poor from engaging in the rural, agricultural marketplace. The YAAJEENDE project integrates microfinance institutions; suppliers who provide fertilizers, smart seeds, and agricultural equipment; and entrepreneurs who buy and sell agricultural products. The project is expected to improve food security and nutrition for 1 million people across 60 rural communities in Senegal.

### **Uganda Conservation Farming Initiative (UCFI)**

Thanks to conservation farming, practices taught by this USDA-funded, five-year project, a woman farmer in Uganda is saving money on labor costs. She's just one of 60,000 smallholder farmers in 13 districts of northern Uganda benefiting from the Uganda Conservation Farming Initiative, launched in 2011. The US\$8.4 million project is helping boost small farmers' maize, pulse, and soybean harvests. The success of the project hinges on full integration of the value chain—from farm to table. This approach integrates tiller service providers and tool manufacturers, among other participants, and aims to move small farmers from subsistence to commercial viability.

### **Zimbabwe Agriculture Income and Employment Development Program (ZIM-AIED)**

More than 6,000 small farmers received "Farming as a Business" training—essentially a crash course in business administration—through this US\$2 million, USAID-funded project. The ambitious, three-year project began in 2011 and aims to benefit a total of more than 50,000 smallholder farmers through income generation and other employment opportunities. With an emphasis on fully engaging women farmers and agro-entrepreneurs, ZIM-AIED is spurring sustainable, private-sector-driven agricultural recovery in Zimbabwe.



# Financial Report

## The Southern Africa Soy Value Development Chain Project (Soy Value Chain)

This four-year, US\$2million project in Mozambique and Zambia is supporting the expansion of smallholder production, promotion and marketing of soybeans in southern Africa. Launched in 2010 and backed by the Gates Foundation, the Soy Value Chain is expected to increase the annual gross income of 37,000 underprivileged farming families by an average of \$200 within three crop seasons. The program spans the value chain with a priority on market development and access, along with an emphasis on advancements in science and technology.

## Strengthening Communities through Integrated Programming (SCIP)

Targeting households and communities in fourteen districts of Mozambique's Nampula Province, this USAID-funded, \$3 million project is expected to bolster quality of life by improving health and nutrition and growing household economic viability in the region. Launched in 2009, the five-year project will also train 27,000 youth farmer clubs in conservation agriculture technologies that increase water availability, improve planting techniques, promote soil fertility and reduce pest damage to crops. SCIP will impact some 480,000 youth beneficiaries prior to its anticipated close in 2014.

## Cooperative Development Program III

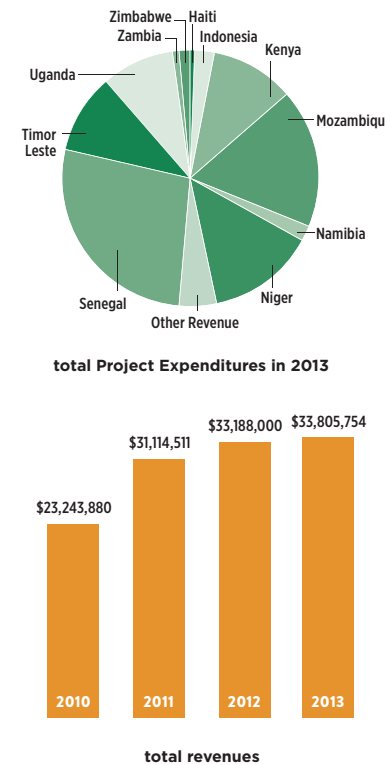
This US\$3.4 million project is integrating activities that address the three stages of cooperative development: building, formalizing, and expanding. Launched in 2010, the USAID-funded, five-year project is promoting cooperative development, collaborative partnerships, and economic growth in Central American countries. In Kenya and Mozambique, the project is supporting food security and advocacy.

## Cooperative Development Program IV

Haiti is among targets of this US\$650,000 multi-country project facilitating development and expanding economic assistance through cooperatives and credit unions. An estimated 40 percent of Haiti's population has no access to basic health services. The Health and Economic Livelihoods Partnership program is helping to address this and other developmental challenges facing Haiti. Launched in 2010, the Cooperative Development Project IV is also facilitating cooperative development in Latin America and Indonesia.

## Cooperative Development Research and Resource Center (CDRRC)

This US\$1.4 million project to establish a new cooperative development research and resource facility is broadening ongoing cooperative development research to meet the needs of the international cooperative development community. Launched in 2013 through funding from USAID, the three-year project also provides a platform for the development of research products and guidelines for members of the Overseas Cooperative Development Council.



The year 2013 focused on achieving profitability and ensuring the timeliness and accuracy of records and reports. The financial results reflect the impact of this focus with an operating net income achieved of \$296,000. This profit was achieved through control of expenditures throughout the year while also going through a significant restructuring of office operations and staff at the beginning of 2013. Also the results show improvements in the overall financial strength of the organization. Liquidity has improved and our administrative expenses have been controlled. Along with this turnaround, greater scrutiny of both the field and the headquarters operations resulted in an unmodified opinion audit where the books and records presented reflected the accurate assessment of NCBA CLUSA's financial condition. With the challenges

relating to federal government funding that occurred in 2013, greater emphasis is now being placed on the ability of NCBA CLUSA to continue uninterrupted operations should future similar challenges occur.

## Audit Committee Report

The year 2013 again proved challenging as the NCBA CLUSA went through the reorganization, implemented an international project requiring enhanced financial data collection, and prepared for an upgrade to the accounting system. However, the audit reflects continued improvements in the NCBA CLUSA's operations. The one significant deficiency cited in the 2012 Audit Report was rectified prior to the completion of the 2012 audit and it was reported that no other deficiencies were noted during the 2013 Audit.

Internal controls continue to show improvement with the issues of segregation of duties in field offices - due to the limited staffing in those offices - being mitigated.

The audit report continues to find NCBA CLUSA as a low-risk auditee; a critical designation for federal awards eligibility.

I thank the staff for their efforts to address prior audit findings and providing timely financial and operational support to the audit team. This allowed for the prompt initiation of the audit following the close of the calendar year and timely completion of the audit.

Kurt Ely  
Chair, NCBA CLUSA Audit Committee

Revenues	2012	2013
Membership dues	\$747,981	\$717,114
Grants and contracts	\$31,654,444	\$32,168,843
Registrations	\$89,158	\$86,770
Contributions	\$10,544	\$25,000
Publication and Other	\$394,754	\$370,257
Interest	\$35,411	\$11,178
Net Assets Released from Restriction	\$184,708	\$223,943
Gain on Investment	\$71,000	\$202,649
<b>Totals Revenues</b>	<b>\$33,188,000</b>	<b>\$33,805,754</b>

Expenses	2012	2013
Federal Awards	\$23,859,933	\$22,604,286
Non-Federal Awards	\$1,559,049	\$3,123,470
Public Affairs & membership Services	\$1,446,148	\$969,763
Partner Services	\$125,587	\$127,049
Supporting service	\$6,912,408	\$6,684,455
<b>Total Expenses</b>	<b>\$33,903,125</b>	<b>\$33,509,023</b>

Net Income	2012	2013
	(\$715,125)	\$296,731

Reserves	2012	2013
UnRestricted (Jan)	\$2,543,273	\$1,828,148
UnRestricted (Dec)	\$1,828,148	\$2,124,879
Temporarily Restricted (Jan)	\$15,222,996	\$15,058,705
Temporarily Restricted (Dec)	\$15,058,705	\$15,255,677

# 2013-14 Board of Directors

NCBA CLUSA holds board elections each spring and announces new board members during its annual meeting.

## Officers

### Jerry McGeorge, Chair

Vice President of Cooperative Affairs  
CROPP / Organic Valley Family of Farms  
LaFarge, Wisconsin

### Andrew Jacob, First Vice Chair

Executive Vice President for Global Financial Services  
CoBank  
Greenwood Village, Colorado

### William J. Nelson, Second Vice Chair

Vice President, Corporate Citizenship, CHS, Inc.  
President, CHS Foundation  
Inver Grove Heights, Minnesota

### Kurt Ely, Secretary

Vice President of Sponsor Relations  
Nationwide Mutual Insurance  
Columbus, Ohio

### Erbin Crowell, Treasurer

Executive Director  
Neighboring Food Co-op Association  
Shelbourne Falls, Massachusetts

## Directors

Wilson Beebe  
President  
Thanexus, Inc.  
Manasquan, NJ

Joseph Bergeron  
President  
Association of Vermont Credit Unions  
South Burlington, Vermont

Cornelius Blanding  
Director of Field Operations  
Federation Of Southern Cooperatives  
East Point, Georgia

Howard Brodsky  
Co-Chief Executive Officer  
CCA Global Partners  
Manchester, New Hampshire

Steve Brookner\*\*\*  
President  
National Cooperative Bank

William Cheney  
President  
Credit Union National Association  
Washington, DC

Leigh V. Grantham\*\*\*  
SVP, Strategy & Business Development  
National Rural Utilities Cooperative Finance Corporation  
McLean, VA

Ann Hoyt  
Professor  
University of Wisconsin Center For Cooperatives  
Madison, Wisconsin

Brittany Jablonsky  
Government Relations Representative  
National Farmer's Union  
Washington, DC

Esteban Kelly  
NASCO  
US Worker Co-op  
Philadelphia, PA

Martin Lowery  
Executive Vice President, External Affairs  
National Rural Electric Cooperative Association  
Arlington, Virginia

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Chief Executive Officer  
CoopMetrics  
Andover, Massachusetts

Ralph Paige  
Executive Director  
Federation Of Southern Cooperatives  
East Point, Georgia

Lance Rantala\*\*\*  
Chief Executive Officer  
Blue Hawk  
Chicago, IL

Christopher Roe  
Senior Vice President Affairs  
CUNA Mutual Group  
Madison, Wisconsin

Mary Ann Rothman  
Executive Director  
Council of New York Cooperatives and Condominiums  
New York, New York

Michelle Schry  
General Manager  
People's Food Co-op  
La Crosse, Wisconsin

Terry Simonette  
President & Chief Executive Officer  
National Cooperative Bank Capital Impact  
Arlington, Virginia

Charles Snyder  
President & Chief Executive Officer  
National Cooperative Bank  
Washington, DC

David P. Swanson  
Partner, Dorsey & Whitney  
Minneapolis, Minnesota

Debbie Trocha\*\*\*  
Executive Director  
Indiana Cooperative Development Center, Inc.  
Indianapolis, IN

\*\*\* Seated in 2013

# 2013 Leadership Team

Michael V. Beall  
President & CEO

Anthony LaCreta  
Chief Financial & Administrative Officer

Patricia Brownell Sterner  
Chief Operating Officer, Association Services

Amy Coughenour-Betancourt  
Chief Operating Officer, International Development

Jack Deeds  
Vice President of Finance

Alex Serrano  
Vice President of Program Development

Gina Miller  
Vice President of Human Resources

Alan Knapp  
Vice President for Advocacy

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