


2017
ANNUAL
REPORT

WORLD COOPERATIVE PARTNERSHIP



NCBA
CLUSA

The National Cooperative Business Association
CLUSA International

The background features a series of concentric, light gray circles that create a ripple effect. On the right side, the letters 'NIC' are stacked above 'CLU' in a large, white, sans-serif font. The 'I' in 'NIC' is replaced by a stylized evergreen tree icon. The text 'For more than a century our mission remains constant; to develop, advance, and protect cooperative enterprise. Our work highlights the impact that cooperatives have in the economic success of communities around the world, building a more inclusive economy.' is centered on the left side of the page in a blue, sans-serif font.

For more than a century our mission remains constant; to develop, advance, and protect cooperative enterprise. Our work highlights the impact that cooperatives have in the economic success of communities around the world, building a more inclusive economy.

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From the Chairman



*Andrew Jacob, Chair
Jacob serves as the
Chief Regulatory,
Legislative and
Compliance Officer at
CoBank*

““We look forward to . . . connecting, unifying and amplifying the cooperative business model, and fulfilling our role as the primary voice for people who use cooperatives to build a better, more inclusive world...”

From its inception, NCBA CLUSA has unified the voice of cooperative businesses across the nation. This legacy of empowering people in their businesses to build resilient communities is just as important today as it was 102 years ago. We look forward to upholding that legacy—connecting, unifying and amplifying the cooperative business model, and fulfilling our role as the primary voice for people who use cooperatives to build a better, more inclusive economy and world.

In December of 2017, Judy Ziewacz retired from her role as president and CEO of the association. On behalf of the NCBA CLUSA board, we thank Judy for her years of dedicated service to the association and decades of fearless leadership in and commitment to cooperatives and cooperative development. We honor her accomplishments as a powerful cooperative advocate who received the much-deserved recognition as an inductee in the Cooperative Hall of Fame. Thank you, Judy, for your service.

On January 1, 2018 the board of directors appointed Doug O'Brien as the new president and CEO. Doug joined NCBA CLUSA in November of 2016 as the Executive Vice President for Programs, overseeing the domestic and international work of the association. Prior to joining

NCBA CLUSA, he served as Senior Advisor for Rural Affairs on the White House Domestic Policy Council. With an extensive career focused on empowering people and communities in rural places, Doug has the unique combination of skills and experience to lead NCBA CLUSA into its next 100 years. He has an appreciation for the diversity of cooperatives, and their contributions in creating a strong and vital cooperative sector in the U.S. and globally, using the power of the cooperative principles to build a better world. Welcome, Doug.

The NCBA CLUSA Board of Directors continued its unwavering focus on its vision of an inclusive economy through the power of cooperatives to create a shared prosperity among people and empower people to have greater control over their economic security. Through NCBA CLUSA's programs of advocacy, development, thought leadership and public awareness, we are proud to partner with our members to advance the cooperative business model and build a better world for all!

Our Cooperative Moment



*Doug O'Brien
President and CEO*

“As a collaborative partner in, advocate for, and driver of an inclusive economy, NCBA CLUSA envisions a world where people are empowered to contribute to shared prosperity and well-being for themselves and future generations.”

Cooperatives are always a good idea.

In times of economic or social anxiety, the values, principles and utility of co-ops become even more relevant. This was true at the turn of the 20th century, as we moved from an agricultural to an industrial economy, in the 1930s as we struggled under the weight of the depression, and in the 1960s and 70s as many became dissatisfied with the status quo domestically while others saw cooperatives as a key strategy for poverty alleviation in developing countries around the world. The result is that millions of people own, control and benefit from their own businesses in the U.S.; these cooperatives employ over 2 million people and represent over \$74 billion in annual wages with revenues reaching nearly \$650 billion.



In 2016, NCBA CLUSA celebrated 100 years of supporting cooperative businesses. Facing a new century of advancing, promoting and defending cooperative businesses, we find ourselves in the middle of the next major cooperative moment. Throughout the pages of this report you will learn about the efforts taking place to create a more inclusive economy, discover the work being done in various parts of the world to empower people through the cooperative principles and learn about the activities that elevate the success of doing business the cooperative way.

The Challenge

Today we find that people desire a deeper connection to the economy and their community. Economic and social forces over recent decades have in large part separated people from the businesses they use. The nature of work is changing, with knowledge-based jobs on the rise and many crucial lower-wage jobs declining, resulting in workers losing their tether to workplace economic security. From a global perspective, economic resilience and stability for communities are under serious threat from an unpredictable and rapidly changing climate, political tension and lack of access to markets. Extreme weather events continue to place undue stress on an already challenged food system, threatening the stability and sustainability

of communities and their connections to markets that supply their goods.

In this context and with clear signs of increasing interest in the cooperative model, NCBA CLUSA is focused on increasing the influence and impact of cooperatives, leveraging the cooperative business model and the shared resources of our movement to engage, partner with and empower people from all walks of life, and in particular those left behind by a shifting economy who face the greatest barriers to achieving this goal

Positioned to Lead

In 2017 NCBA CLUSA's board of directors set a new vision for the association. This vision charts a path for NCBA CLUSA as a collaborative partner in, advocate for, and driver of an inclusive economy, in which people around the world are empowered to contribute to shared prosperity and well-being for themselves and future generations.

This new vision has led to increased focus on our member supported advocacy, public awareness and thought leadership work and increased the scope of our international and domestic development efforts.

Continued next page

Our Cooperative Moment

“We are focused on leveraging strategic partnerships with entities both internal and external to the cooperative community that share ... common goals.”

Our advocacy work seeks to accelerate the development and support of cooperative businesses by partnering with and influencing federal, state and private sector decisions. We continue to work in partnership with the Interagency Working Group for Cooperative Development and the Congressional Cooperative Business Caucus, as well as provide a framework that empowers our members to work with state and local legislators to improve the policy environment for cooperatives.

We continually strive to increase public awareness to expand our audience and reach both cooperative and non-cooperative communities. The success of the first Co-op Festival on the National Mall provided a highly visible engagement opportunity for our members and elevated the visibility of cooperatives.

Over the past year, the live discussions at the National Press Club and in our headquarters office brought together leaders from a variety of sectors and connected the principled cooperative approach to societal issues. 2017 provided thought leadership based on intellectual and analytical rigor, showing the beneficial impacts of the cooperative business model on the economy and society through assets that include the Council of Cooperative Economists, the Cooperative Business Journal, and the annual Cooperative IMPACT Conference.

And in our development efforts we continue to seek ways to innovatively partner and support the domestic cooperative development community, as well as deepen our impact in our extensive international development work. We are focused on leveraging strategic partnerships with entities both internal and external to the cooperative community that share these common goals.

Our Commitment

Membership support continues to be critical in bolstering NCBA CLUSA's efforts to fulfill our mission on behalf of the cooperative movement. Strong financial rigor continues to provide the critical resources for NCBA CLUSA's activities and has ensured the continued growth and impact of our organization.

The activities outlined in this report establish a firm foundation for the future work of NCBA CLUSA as we strive to establish cooperatives as the best tool to

build a more inclusive economy. Through the continued support of our members and the enthusiasm of cooperative champions throughout the nation, we are committed to capturing the potential of this cooperative moment and continue to seek out opportunities to elevate the cooperative business model as a preferred strategy of addressing societal and economic challenges.



Doug O'Brien
President & CEO

Membership...makes our work possible

Together, the members of NCBA CLUSA are making huge strides in advancing the cooperative business model. Throughout 2017, we elevated the profile and influence of cooperative enterprise. As a cooperative community, we trailblazed rural broadband access and led recovery efforts in Puerto Rico. We worked toward a more just food system and extended critical banking services to marginalized communities. We paid living wages and made Fortune's list of best companies to work for.

Our unified voices in front of lawmakers, foundations, government agencies and other stakeholders make the case that co-ops are contributing to a stronger, more inclusive economy by investing in people and their communities. Here's a look at what your support enabled us to accomplish this year:

Advocacy Membership places your voice at the center of our work to educate lawmakers on cooperative economic impact and influence favorable federal policy. Together with our members, we worked in 2017 to sustain and strengthen the Congressional Cooperative Business Caucus and applaud the efforts of the administration as they reestablished the Interagency Working Group on Cooperative Development. Even in a tough budget climate, we leveraged these groups to preserve funding critical to cooperative success and, ultimately, the potential of the cooperative business model.

Awareness NCBA CLUSA's public awareness events in 2017 culminated in the first-ever Co-op Festival on the National Mall. We were thrilled to offer this opportunity to our members, many of whom hosted exhibits and staged games and giveaways to engage the 20,000+ people visiting the nation's backyard over the two-day event.

Our members also feature prominently in our newsletter, Co-op Weekly, which reaches thousands of people every week with news, events and features published by NCBA CLUSA. We're also proud to highlight the work of our members through our robust social media presence.

Thought leadership In 2017, NCBA CLUSA members benefited from substantial discounts on our inaugural Co-op IMPACT Conference. Drawing more than 300 people from some 130 organizations, the conference was an unprecedented opportunity to advance the shared interests of the co-op ecosystem. Filling a gap identified by many of our members, this conference worked to amplify and foster the

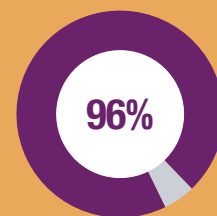
research and data needed to quantify the economic impact of co-ops. Our *Cooperative Business Journal*—relaunched in 2017—is another platform where the tangible economic and social impact of cooperatives finds new life and new audiences.

Development On membership with NCBA CLUSA means you believe the cooperative principles are the best way to build resilient communities, create economic opportunities and strengthen producer groups from Senegal to El Salvador. In 2017, we expanded our reach to include the U.S., partnering with the Environmental and Energy Study Institute and America's electric co-ops to develop broader clean energy adoption.

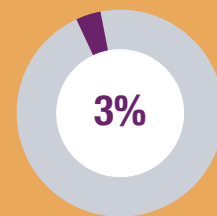
Membership Composition

Your support and participation in 2017 helped us set a strategic path for NCBA CLUSA, ensuring that our organization remains a dynamic voice within the cooperative space and a champion for cooperative enterprise outside our movement.

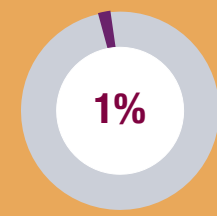
In 2018, your membership continues to advance the cooperative agenda. NCBA CLUSA members like you will be at the core of a new economy in which people have a greater say in their futures and more equitable access to sustainable jobs and opportunities.



Cooperatives & Co-op Organizations



Associate



Individual

Public Awareness

Co-op Festival...Celebrating the co-ops in your community



NCBA CLUSA hosted dozens of its cooperative partners to celebrate the first-ever Co-op Festival on the National Mall just outside the Smithsonian Castle.

With displays, activities and giveaways designed to amplify the economic impact, diversity and sustainability of the cooperative business model, the two-day event reached an estimated 20,000 people on the National Mall. Attendees enjoyed live music, sampled co-op food and, most importantly, learned how co-ops are building a better, more inclusive world.

Co-ops are experiencing increased levels of success and have provided viable solutions to economic and environmental challenges throughout our nation's history. Even now while the stock market and unemployment rates continue to fluctuate, the co-op business model is holding steady and, in many sectors, growing.

The incredible exhibitors at Co-op Festival demonstrated the reach and strength of the cooperative economy's contributions, making



Above: Partners like Ocean Spray Cooperative contributed to the educational tone, representing more than 700 cooperative farmers.

Right: Co-op Month declaration presented by Anne Hazlet, Assistant to the Secretary for Rural Development at USDA. She is joined here by (left to right) Andrew Jacob, NCBA CLUSA board chair,

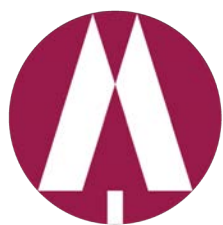
the case that co-ops should no longer be an overlooked class of business.

The festival also provided a platform for the U.S. Department of Agriculture to make its National Co-op Month Proclamation—an annual event since 1964. Anne Hazlett, Assistant to the Secretary for Rural Development at USDA, delivered the agency's proclamation from stage on October 1. Be sure to join us on October 6 – 7, 2018 for the second Co-op Festival.



Carla Decker, President and CEO of D.C. Federal Credit Union (M) and Jerry McGeorge, Vice President of Cooperative Affairs at Organic Valley Cooperative (M)

IMPACT Conference ... The State of the Cooperative Economy



Drawing more than 300 people from some 130 organizations

to Alexandria, Virginia, NCBA CLUSA's inaugural Co-op IMPACT Conference was an unprecedented opportunity to amplify and foster the research and data critical to quantify and expand the economic impact of cooperatives and create the tools necessary to influence public policy.

Co-hosted by the National Cooperative Bank, IMPACT 2017 marked a pivotal shift in NCBA CLUSA's conference history, bringing together an ambitious docket of speakers and attendees representing 10 co-op sectors, 18 countries and dozens of educational institutions, foundations, law and accounting firms, government agencies and international development organizations—all with the overarching goal to advance the shared interests of the cooperative ecosystem, regardless of sector or industry.

IMPACT 2017's kick-off plenary, "The State of the Co-op Economy," provided a new forum for best-in-class research by members of NCBA CLUSA's Council of Cooperative Economists. Their preliminary data and analysis, presented during the conference and published in the Fall 2017 issue of the Cooperative Business Journal, measures the current economic impact of cooperatives and begins to quantify the cooperative advantage. The work of the council addresses for the first time the systemic lack of data and analysis needed to propel the cooperative movement forward.

During a reception at REI's spacious flagship store in the NoMa neighborhood of Washington, D.C., Cooperatives for



Rosemary Mahoney, Co-op Hall of Fame inductee and cooperative leader shares her insights at the 2017 Co-op IMPACT Conference.

a Better World launched their new #Coops4Kindness campaign. Howard Brodsky of CCA Global Partners, Lance Rantala of Blue Hawk Cooperative, Robynn Shrader of National Co+op Grocers and Jerry McGeorge of Organic Valley each pledged their participation in CBW's 2018 #Coops4Kindness campaign. Learn more and pledge your support at coops4kindness.coop.

Advocacy

In 2017, NCBA CLUSA pivoted from celebrating 100 years of supporting cooperatives that build a better world, to envisioning how best to advance that legacy.

With that transition came milestones in advocacy, beginning in January with the release of NCBA CLUSA's transition paper for a new Administration. Called "Cooperating for a Better Tomorrow: Creating Economic Opportunity for Americans and People Around the World," the document outlined key areas where the then-incoming Trump Administration could support cooperatives: tax reform, worker ownership, the USDA Rural Cooperative Development Grant (RCDG) program, small business lending, healthy and sustainable food access and the Global Food Security Act.



Co-ops back in U.S. Census

In May, the Office of Management and Budget announced that a decades-long absence of federally-reported data on co-ops in the U.S. would end with the 2017 Economic Census. The breakthrough moment was a culmination of efforts by NCBA CLUSA, the U.S. Department of Agriculture, the University of Wisconsin Center for Cooperatives and other stakeholders to transfer the collection and ownership of cooperative economic impact back to the U.S. Census Bureau.

Data gathered by the 2017 Economic Survey—while likely not available until 2020—will fill a critical gap within the cooperative sector, helping to pinpoint the footprint of cooperative businesses nationwide.



Preserving funding for cooperative development

NCBA CLUSA actively monitors federal budget negotiations year around to ensure that lawmakers preserve the only federal program dedicated to advancing cooperative businesses. A tough budget climate made 2017 a critical year for this work. In July, the Senate's Ag Appropriations bill recommended continued funding for programs vital to the economic growth of rural America, including \$26.550 million in the Rural Cooperative Development Grant (RCDG) program.

While \$300,000 less than NCBA CLUSA's request, the number was level with the previous year's funding and rejected the Trump Administration's call to completely eliminate Rural Business and Cooperative Service, the agency that administers the RCDG program.



Building a vibrant co-op ecosystem in Cuba

In March, NCBA CLUSA launched the U.S.-Cuba Cooperative Working Group's 2017 Report at an event in Washington, DC. The report explores resource, regulatory and access barriers to cooperative development in Cuba; addresses gaps in co-op structure and governance; and explores opportunities for continued, mutually beneficial engagement between the U.S. and Cuban co-op sectors.

Established in 2014 by NCBA CLUSA, the U.S.-Cuba Cooperative Working Group identifies opportunities to build a vibrant, sustainable cooperative ecosystem in Cuba while navigating the uncertain nature of the two countries' bilateral relationship.



Expanding eligibility for SBA loans

In September, the U.S. Small Business Administration eliminated a regulation that had blocked food cooperatives from accessing its lending programs for more than 30 years. In its support for the proposed change, NCBA CLUSA made the case that although some cooperatives reach Fortune 500 status, the majority should be classified as small businesses. Because cooperatives are owned by their members, they tend to rely on debt financing more than investor-owned firms that can more easily access outside investment capital.

NCBA CLUSA also called for clarity and uniformity relating to the eligibility of cooperatives in accessing debt financing through SBA lending programs, noting that regulations and policies toward cooperatives—dating from the 1960s—no longer reflect the evolving nature of cooperative enterprise.



A whole-of-government approach to co-op development

In 2017, NCBA CLUSA submitted a written question to lawmakers ahead of the confirmation hearing for U.S. Secretary of Agriculture Sonny Perdue, seeking assurance that Perdue would maintain and prioritize the work of USDA's Interagency Working Group on Cooperative Development. The working group—a provision NCBA CLUSA worked diligently to include in the 2014 Farm Bill—drives a whole-of-government approach to cooperative development. The working group was instrumental in many of the co-op community's advocacy wins throughout 2017.

NCBA CLUSA is pleased that the working group has since been reestablished under the new Administration and has pledged to continue leveraging the expertise of the cooperative movement and more than a dozen federal agencies to help elevate cooperative priorities at the federal level.



Growing support for co-ops in Congress

In February, NCBA CLUSA, Rep. Ed Royce (R-CA) and Rep. Mark Pocan (D-WI) hosted a reception on Capitol Hill to welcome incoming freshmen to the 115th Congress and invite them to join the bipartisan Congressional Cooperative Business Caucus. The event also marked the launch of NCBA CLUSA's policymakers' guide, a tool caucus members can use to amplify cooperative impact. Established in 2016, the caucus works to advance the role of cooperatives in the nation's economy at the federal level.

Caucus members believe co-ops are integral to the U.S. economy because they create jobs that pay fair wages and offer member-owners a chance to directly shape their businesses and communities.

Programs

Domestic Programs Overview

NCBA CLUSA is dedicated to the continued growth and strengthening of cooperative businesses across the United States. Cooperatives at all levels and in all sectors provide a more inclusive alternative to other business models. Through partnerships we seek to expand the influence of cooperatives in addressing inclusive economic and social growth for these communities.

Environmental and Energy Study Institute (EESI)

NCBA CLUSA has partnered with EESI to support rural electric cooperatives in developing on-bill financing programs for energy efficiency upgrades, community projects in solar, and clean energy storage to increase savings for people in rural communities. The Partnership for Advancing an Inclusive Rural Energy Economy aims to reduce energy costs, improve reliability and comfort, and increase efficiency in rural households across the country. The Partnership was made possible through a one-year, \$150,000 grant from the New York Community Trust (NYCT).

Robert Wood Johnson Foundation (RWJF)

With funding from the Robert Wood Johnson Foundation (RWJF), the Cooperative Development Foundation (CDF) and NCBA CLUSA have partnered on a two-year project to understand the role of cooperatives in building healthy, equitable and sustainable communities.

The \$250,000 grant includes funding for four white papers and two convenings of cooperative developers, social scientists, economists and subject matter experts to identify and quantify the social and economic benefits of cooperatives to

communities. The project will also study public policy initiatives that encourage and support the development of cooperatives as a tool to strengthen the health, equity and sustainability of communities.

The overarching goal of the project is to bring a disciplined and data-backed understanding of cooperatives to a broader audience, providing national, state and local leaders with a better understanding of the role that cooperatives play in building healthy and sustainable communities. When completed, the four white papers included in the grant will be used as part of NCBA CLUSA's work to elevate cooperatives among policymakers and thought leaders.

International Programs Overview

Grounded in the seven cooperative principles, our approach asserts that our clients are the decision-makers when it comes to serving their communities' most pressing development needs.

At the core of this community-led approach is the empowerment of people to articulate, promote and manage sustainable, locally generated solutions. We work globally to alleviate poverty through inclusive economic development.

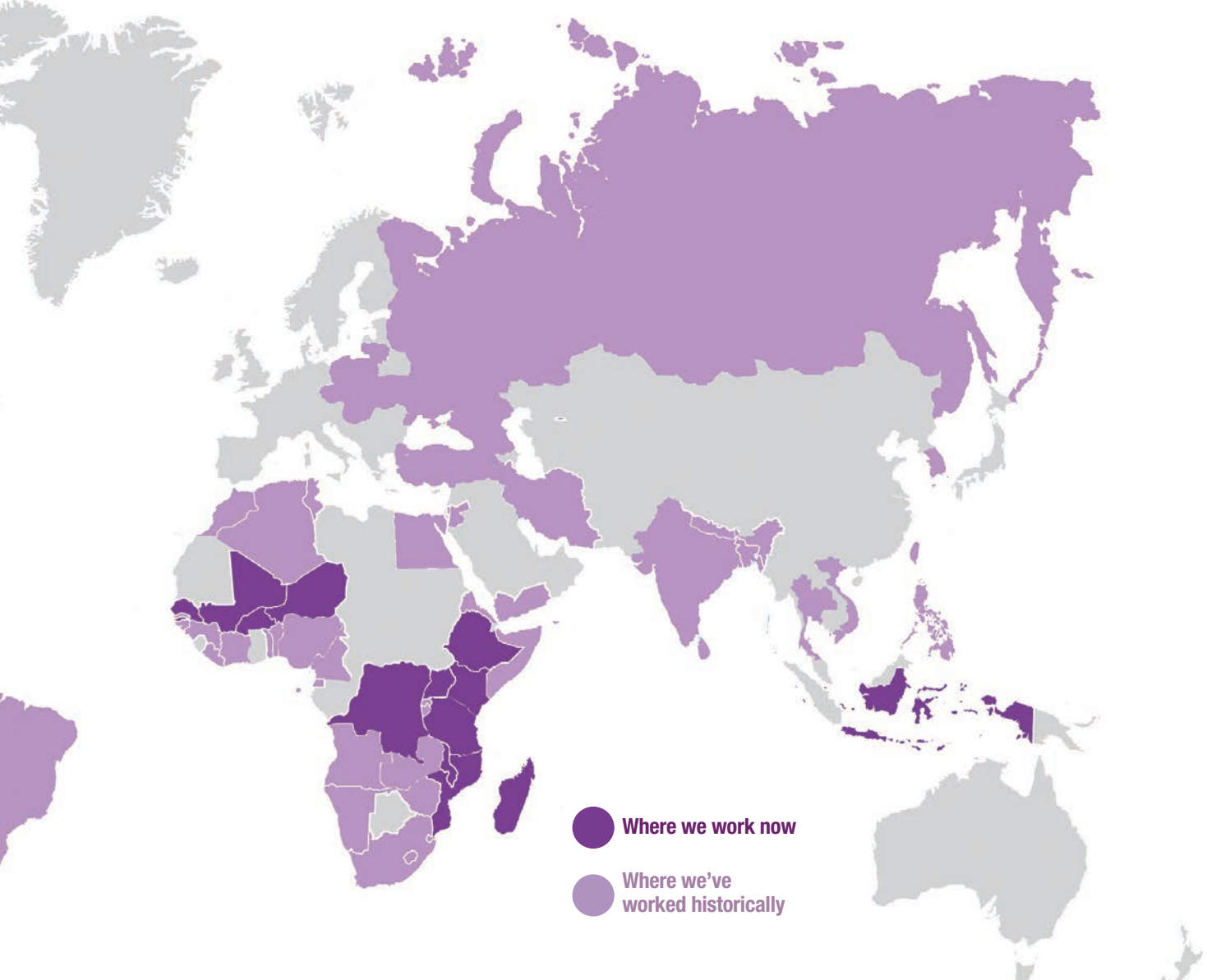
In 2017, we supported communities doing this work in 20 countries around the world from the United States to Senegal to Indonesia to El Salvador. By building resilient communities that are more stable, creating economic opportunities that are sustainable and equitable, and strengthening cooperatives and producer organizations that are participatory and grow the available economic opportunities, we support communities in accessing the



Collectively, our programmatic work is the practical application of effective community development, supporting communities in their steps to build a more inclusive economy around the world.

training and tools necessary to achieve their development goals and build a more inclusive economy.

Our partnerships are key in implementing this work. From local organizations to private sector investment to international government partnerships, our collaborations put local communities at the center, helping to focus partner priorities around identifying the best way to support communities. We also engage the U.S. cooperative community's unique expertise through partnerships like Farmer-to-Farmer, and form alliances with companies that want to build sustainable supply chains. (See map)



International Programs in 2017



We implemented **39 Projects** in **20 Countries**



We impacted **3 million lives**



We worked with over **95,000 households**



We worked with **400,000 farmers**, including **150,000 women farmers**

Building Resilient Communities



Resilience is the ability to get ahead of and recover from environmental, economic and household

shocks and to continue on the path to development. Too often, situations like malnutrition, natural disasters, drought and economic or political upheaval can set back already vulnerable families and erase development gains in agriculture, health or education. NCBA CLUSA is building the resilience of local and regional food systems by improving local governance of food and water resources, empowering women, teaching new farm techniques, supporting diverse sources of income and linking rural businesses to markets via last mile agents.

This holistic and systematic approach supports the most vulnerable individuals and communities plan for, recover from and overcome the effects of shocks and stressors in their lives. Resilience contributes to more stable communities and economic options, part of building a more inclusive economy.

Our Resilience Programs

AFRICA

Burkina Faso

Burkina Faso Natural Resource Guide

Nov 2017 – Jun 2018

World Bank Forest Investment Program \$150,000

Burkina Faso and Niger

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

Nov 2013 – Dec 2019

USAID \$70,000,000

Senegal

Feed the Future Yaajeende Agriculture and Nutrition for Food Security Project

Nov 2010 – Sept 2017

USAID \$50,000,000

Feed the Future Kawolor Project

Nov 2017 – Oct 2022

USAID \$40,000,000

Farmer-to-Farmer Project

Sept 2013 – March 2018

USAID \$1,600,000

Democratic Republic of the Congo

USAID Budikadidi

Jan 2017 – Dec 2021

USAID, CRS \$5,900,000

Mozambique

Conservation Agriculture Program for Smallholder and Emerging Farmers (PROMAC)

Nov 2012–Oct 2017

NORAD \$13,500,000

PROMAC II

Dec 2017 – Dec 2020

NORAD \$14,500,000

Agriculture Extensions Project

Sept 2015 - Aug 2017

Portucel Mozambique \$675,000

Feed the Future Resilient Agriculture Markets Activity: Beira Corridor

Jan 2017 – June 2018

USAID \$1,800,000

Forest Friendly Agriculture in the Ile District

Aug 2017 – Aug 2018

World Bank / IFC \$600,000

TVET for the Agriculture Sector

Dec 2017 – Dec 2020

NORAD \$1,800,000

AMERICAS

Guatemala

Communities Leading Development

Oct 2016 – Jun 2021

USAID \$4,200,000

Cooperative Development and Food Security in Guatemala

May 2014 – Dec 2018

USAID CDP \$3,700,000

Haiti

USAID Reforestation Project

Oct 2017 – Jun 2022

USAID \$2,500,000

ASIA

Indonesia

Cooperative Water and Sanitation for Health (CoopWASH)

Oct 2014 – Jan 2018

Starbucks Foundation \$750,000

WORLDWIDE

Knowledge Management Program

Sept 2010 – Sept 2018

USAID CDP \$600,000

Stability Spotlight: What does it mean to be resilient?



Aissata at her shop in Senegal.

When health or weather create crises, can a community bounce back?

What systems have to be in place for that to happen?

Resilience is about more than good health, or nutrition, or increasing incomes. It is about bringing all of these together to lift a community.

When we think about resilience in rural villages in West Africa, we think about how all these pieces are integrated. An “infrastructure” of resilience—building the pipes for the untapped resources of the community to flow through and reach the right needs.

The connections from market to farm to mother’s group to family meal are part of the pipelines of resilience. And our Nutrition-led Agriculture model takes the food system and focuses it on the community.

Farmers like Pierre Larba Yarga in Burkina Faso are part of building those pipelines. Training his neighbors on conservation farming, including mulch cover and compost, his community’s fields were able to retain moisture during the light rains of last year. And using drought resistant seeds, he was able to withstand the bad harvest in his region last year. Pierre learned about conservation farming through the USAID Resilience in the Sahel REGIS-ER program, which NCBA CLUSA is implementing in Niger and Burkina Faso.

Pierre, and farmers like him, access the

proper seeds and training through other neighbors—Community Based Solution Providers (CBSPs), or village level shopkeepers and trainers with the resources to introduce enriched seeds. These individuals also help to connect farmers to community issues, filling gaps in nutrition with foods like Vitamin A sweet potato and others.


Aissata Thilgome, a CBSP in Senegal, provides her community farmers with good seed and buys back produce and millet, transforming it into enriched flour for children in her village. In Senegal, CBSPs are lifting up the needs of the community after linking to quality services providers through NCBA CLUSA’s Feed the Future Yaajeende and Kawolor programs.

And those children are set up to be more resilient in the long term by having access to nutritious family meals that keep them healthy. When nutrition is prioritized in agriculture decisions and is supported by demand in the markets—integrating all levels of the village—resilience is fostered from the farm to the family meal.


Mothers like Oumou Oumarou in Niger are transforming early childhood nutrition by increasing demand for these nutritious food options for family meals. Working with mother to mother groups, she is creating a market for healthy products in her village and local farmers are able to supply it. In some places, like Senegal, service providers can also support demand for health choices through their community liaison CBSPs.

At its heart, Nutrition-led Agriculture is about transforming the food system to work for health. And that food system supports resilience by providing the pipelines through which community resources can flow—moving enriched seeds to farmers, transporting produce to markets and driving local demand for nutritious options.


2017 Community Numbers




We reached nearly
200,000 women
and **60,000** children
with nutrition interventions



Over **78,000** families are
better equipped to deal with
climate change



Over **54,000** people now
have access to potable water



Farmers using conservation
farming showed
43-63%
average yield increases

Creating Economic Opportunities



Income and sustainable livelihoods are at the center of NCBA CLUSA's approach to economic development.

We focus on markets, investment, and the value addition that build assets and empowers farmers, entrepreneurs and other local businesses to succeed.

NCBA CLUSA uses market incentives, and risk mitigation to create new opportunities for farmers and the industries they supply. Within this context, NCBA CLUSA works with rural youth to improve economic opportunities in their communities and improve the income they can earn through value addition, services, and business relationships with suppliers and markets.

By promoting inclusive, sustainable and equitable economic opportunities, we assist agribusinesses, entrepreneurs, and farmers to increase their economic benefit. We do this by building the ability of each partner to improve their work, creating mutually beneficial relationships, and a business enabling environment conducive to growth.

Our Economic Opportunity Programs

AFRICA

Democratic Republic of the Congo

USAID Budikadidi
Jan 2017 – Dec 2021
USAID, CRS \$5,900,000

Madagascar

USAID Fararano
Nov 2014 – Sept 2018 –
USAID, CRS \$1,700,000

Farmer-to-Farmer Addressing Vanilla Through Cooperative Enterprise (F2F ADVANCE)
Nov 2016 – July 2017
USAID \$150,000

East Africa Trade and Investment Hub
Nov 2016 – Jan 2018
USAID \$100,000

Malawi

United in Building and Advancing Life Expectations (UBALE)
Jan 2015 – Oct 2019
USAID, CRS \$3,000,000

Mali

Finance for Food Security and Women Entrepreneurs (FFSWE)
Aug 2015 – July 2019
USAID, IESC \$300,000

Mozambique

USAID Smallholder Effective Extension-Driven Success (SEEDS)
Nov 2014-March 2017
USAID Partnering for Innovation \$1,700,000

Conservation Agriculture Program for Smallholder and Emerging Farmers (PROMAC)
Nov 2012 – Oct 2017
NORAD \$13,500,000

PROMAC II
Dec 2017 – Dec 2020
NORAD \$14,500,000

Agriculture Extensions Project
Sept 2015 - Aug 2017
Portucel Mozambique \$675,000

New Alliance ICT Challenge Fund (E-Extension)
Feb 2016 – Feb 2019
USAID \$1,800,000

Feed the Future Resilient Agriculture Markets Activity: Beira Corridor
Jan 2017 – June 2018
USAID \$1,800,000

Forest Friendly Agriculture in the Ile District
Aug 2017 – Aug 2018
World Bank / IFC \$600,000

Senegal

Millet Business Services Project
Oct 2014 – March 2019
USDA \$9,500,000

Feed the Future Yaajeende Agriculture and Nutrition for Food Security Project
Nov 2010 – Sept 2017
USAID \$50,000,000

Feed the Future Kawolor Project
Nov 2017 – Oct 2022
USAID \$40,000,000

Farmer-to-Farmer Project
Sept 2013 – March 2018
USAID \$1,600,000

Uganda

Youth Empowerment Through Agriculture
Feb 2015 – Feb 2020
Mastercard Foundation \$11,500,000

AMERICAS

Dominican Republic

Safe Agriculture and Food Export Program (SAFE)
Sept 2015 – Nov 2020
USDA \$16,000,000

El Salvador

Coffee Rehabilitation and Agricultural Diversification Project
Oct 2014 – Sept 2019
USDA \$13,000,000

Haiti

USAID Reforestation Project
Oct 2017 – Jun 2022
USAID, Chemonics \$2,500,000

United States

Partnership for Advancing an Inclusive Rural Energy Economy
Nov 2017 – Nov 2018
New York Community Trust, EESI \$150,000

ASIA

East Timor

Coffee and Cocoa Agribusiness Opportunities (CACAO)
Jun 2015 – Jun 2020
NZAID \$10,500,000

East Timor Agribusiness Development Project
Sept 2013 – Sept 2019
USDA \$9,200,000

WORLDWIDE

Knowledge Management Program
Sept 2010 – Sept 2018
USAID CDP \$600,000

Sustainability Spotlight: The Path to Sustainable Coffee in El Salvador

As the coffee rust fungus spread across El Salvador in 2013, farms of all sizes began to collapse, putting the coffee industry on the brink of folding and the livelihoods of thousands of rural farm workers at risk. In response, the U.S. Department of Agriculture launched the El Salvador Coffee Rehabilitation and Agricultural Diversification Project in 2014. Managed by NCBA CLUSA, the program introduces cost-effective technologies and techniques to help rebuild and strengthen farms using sustainable agriculture methods.



material (such as coffee pulp and husks, chicken and cow manure, ash, rock dust minerals and mountain microorganisms), the program's agricultural specialists work hand-in-hand with farmers to teach them how to produce, store and apply the organic soil amendments on their farms.

One of the chief practices that NCBA CLUSA promotes is the onsite production of organic fertilizers and organic pesticides—a low-cost, environmentally sustainable soil amendment alternative to synthetic agro-chemical based methods. Using easily accessible organic

“Each year, we would test out the new synthetic agro-chemical products on the market that were designed to eliminate the coffee rust, and we just weren't satisfied with the results. When NCBA CLUSA approached us in 2016 about trying out the organic

biofertilizers that had been successful in other parts of the country, we were willing to give it a shot,” said Homberger, a third generation coffee grower. By working closely with NCBA CLUSA's specialists to formulate and test the products, farmers have now mastered the process and produced over 3,500 liters of liquid organic fertilizers and 325 metric tons of solid organic fertilizers.

Working with NCBA CLUSA saves us the time in trial and error that we used to spend on testing the different synthetic agro-chemical products. In terms of cost, we're seeing an upwards of 60 percent savings in soil amendment expenses. With the organic biofertilizers, it only costs me \$5 to treat the same size piece of land that before cost me \$12.50 with synthetic agro-chemical products. It's really impressive.”

Growth Spotlight

From photography to raising pigs, Ugandan Youth grow their employment opportunities

The Youth with Vision group in Uganda's Okwongodul-Dokolo district has moved to expand their group business beyond an initial incubation of two pigs, aiming to earn more than 50 million shillings (about \$14,000) by the end of 2017.



Following the various trainings provided by YETA, more than ten members have since started individual businesses ranging from photography to piggery, maize farming, tomato growing and poultry among others. Five members have returned to formal school.

The group of 20 young men and 15 young women was formed in 2015 under NCBA CLUSA's Youth Empowerment Through Agriculture (YETA) program because of the need to collectively curb youth unemployment and poverty. In partnership with the Mastercard Foundation, YETA draws on a network of producer organizations and youth associations as an entry point to train, mentor and provide employment opportunities for at-risk youth in four districts of Northern Uganda.

Going forward, the group plans to expand their pig farm to more than 70 pigs in two years, give pigs to members to start individual farms, buy a grinding mill where they will process maize to sell at competitive prices and, at the same time, recycle the mill residue (maize brand) as feed for their pigs.

With income from chili pepper production last season, they bought four more pigs in addition to the two initially provided by YETA. Gilbert Wacha, chair of Youth With Vision, noted that the group has rented a boar to ensure the herd continues to grow.

With a small investment, and the right support – groups like this Youth Association are growing job and income opportunities in Uganda and moving forward on a path to more formal job creation and training.

2017 Economic Opportunities Numbers

We helped facilitate over **\$3.5 million** in agricultural business loans



Supported over **1,700** Small enterprises



Facilitated access to **1.5 million tons** of quality seed



Our clients sold nearly **\$50 million** in products like millet, coffee, vanilla, seeds and more



Nearly **200,000** hectares are under improved land management techniques

Strengthening Cooperatives & Producer Groups



Smallholder farmers working together in associations and cooperatives fare better in garnering better prices for inputs and services, increased revenues for their crops and benefits such as training, market links and access to improved inputs. NCBA CLUSA has a long history in group formation and strengthening as part of a strategy to increase incomes, yields, education and training for sustainable livelihoods. These democratically owned and governed groups are powerful tools for local development.

Using a participatory approach supports bringing more people into an inclusive economy, providing voice in the marketplace and allowing for inclusive growth of opportunity. Specifically, the cooperative method helps smallholder farmers and communities engage in collective action to address economic, social and development problems.

NCBA CLUSA helps producers establish new cooperatives and group enterprises, supports ongoing strengthening of these business and provides training and tools that help scale the business to improve economic opportunity for members. This approach also provides supply chain solutions for specialty products like coffee, cocoa, and vanilla among others. For instance, we partner with companies pursuing the Sustainable Development Goals (SDGs) and sustainable and responsible sourcing of these products through cooperatives. We also work to provide an enabling environment for cooperatives, both in the United States and around the world.

Our Cooperative Development Programs

AFRICA

Democratic Republic of the Congo

USAID Budikadidi
Jan 2017 – Dec 2021
USAID, CRS \$5,900,000

Ethiopia

ICT in Ethiopia
Sept 2010 – Sept 2018
USAID CDP, CCI \$4,900,000

Kenya

Cooperative Development and Food Security in Kenya
Sept 2010 – Dec 2017
USAID CDP \$3,200,000

Madagascar

USAID Fararano
Nov 2014 – Sept 2018
USAID, CRS \$1,700,000

Farmer-to-Farmer Addressing Vanilla Through Cooperative Enterprise (F2F ADVANCE)

Nov 2016 – July 2017
USAID \$150,000

East Africa Trade and Investment Hub

Nov 2016 – Jan 2018
USAID \$100,000

Supporting the Enabling Environment for Cooperatives in Madagascar

Aug 2017 – March 2019
USAID CDP \$750,000

Malawi

United in Building and Advancing Life Expectations (UBALE)

Jan 2015 – Oct 2019
USAID, CRS \$3,000,000

Senegal

Millet Business Services Project
Oct 2014 – March 2019
USDA \$9,500,000

Farmer-to-Farmer Project

Sept 2013 – March 2018
USAID \$1,600,000

Tanzania

Capacity Building of Producer Organizations

Dec 2017 – June 2019
World Bank \$240,000

AMERICAS

Cuba

US-Cuba Cooperative Working Group
April 2015 – Jun 2018
Cooperative Development Foundation, Christopher Reynolds Foundation \$107,000

El Salvador

Coffee Rehabilitation and Agricultural Diversification Project
Oct 2014 – Sept 2019
USDA \$13,000,000

United States

Partnership for Advancing an Inclusive Rural Energy Economy
Nov 2017 – Nov 2018
New York Community Trust, EESI \$150,000

Guatemala

Cooperative Development and Food Security in Guatemala
May 2014 – Dec 2018
USAID CDP \$3,700,000

ASIA

East Timor

Coffee And Cocoa Agribusiness Opportunities (CACAO)
Jun 2015 – Jun 2020
NZAID \$10,500,000

East Timor Agribusiness Development Project

Sept 2013 – Sept 2019
USDA \$9,200,000

Indonesia:

Cooperative Water and Sanitation for Health (CoopWASH)
Oct 2014 – Jan 2018
Starbucks Foundation \$750,000

Feed the Future Sustainable Cooperative Communities (SCAA)

Jan 2017 – Jan 2020
USAID \$2,000,000

WORLDWIDE

Knowledge Management Program

Sept 2010 – Sept 2018
USAID CDP \$600,000

International Cooperative Research Group

July 2013 – Sept 2019
USAID CDP \$3,600,000

The EUCLID Alliance: Supporting Cooperative Development in Latin America and Indonesia

March 2013 – Sept 2017
USAID CDP \$550,000

Participation Spotlight: Members provide training to develop co-ops

Governance is key to cooperative development. Part of setting up strong cooperatives is about good governance training that highlights member participation. Supporting vanilla cooperatives through the USAID East Africa Trade Hub Program, we recruited Farmer-to-Farmer volunteers to come and train a new cooperative in rural Madagascar.



something worthwhile. I look forward to buying vanilla from Mirary Soa someday along with the many other co-op products and services I enjoy every day,” wrote Adam Schwartz.

Farmer-to-Farmer is one way our members can participate in our international programs. Taking the unique technical knowledge and skills from our members supports communities who need it most – matching training to needs.

on assignment over a couple months – and wrote about their projects in the Summer 2017 edition of the *Cooperative Business Journal*.

Since that training, Mirary Soa has fulfilled orders of vanilla to McCormick Spices – who has committed to sourcing sustainably and partnered in cooperative development in their sourcing countries through the East Africa Trade Hub and an MOU with NCBA CLUSA.

In Madagascar, the Mirary Soa Cooperative requested specific training to set up their governance structure. Two volunteers, Pamala Karg and Adam Schwartz went out

“After my Farmer-to-Farmer assignment in Madagascar, one thing is clear: my belief in the cooperative model is stronger than ever. Co-ops are hard to organize and difficult to maintain, but like most things in life it is overcoming the challenges that makes

To build a more inclusive economy it takes participation and collaboration from private sector partners, government funders, local farmers and NCBA CLUSA members. Together, we can positively affect the lives of smallholder farmers like the 120 members of the Mirary Soa vanilla cooperative.

2017 Cooperative Development Numbers



We directly supported over **430** Co-ops



420 new Youth Associations were formed in Uganda



NCBA CLUSA members and volunteers donated **676** days of technical skills training



We supported over **9,000** small enterprises, women’s groups, producer organizations and associations



Our work supported credit unions (SACCOs) making over **\$105 Million** loans in Ethiopia

Financial Report

In fiscal year 2017, NCBA CLUSA made great strides to strategically manage our financial performance. Financial strength is critical to our ability to deliver on our promises to members, donors, partners and other stakeholders.

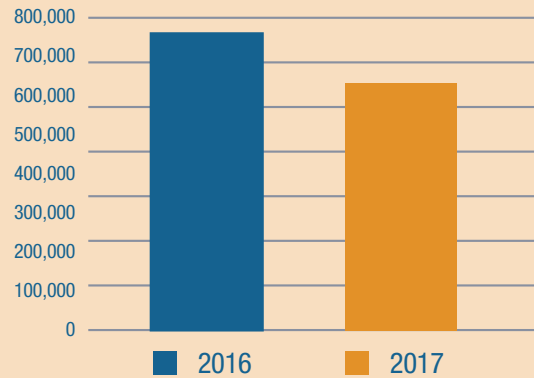
NCBA CLUSA fiscal year begins January 1 and ends December 31. The 2017 financial resources consist of member services and sponsored programs revenue. The year-end results reflect a 15.7% increase in revenue from prior year resulting in \$52.4 million in total revenue. The association gained \$90,672 in operating income and experienced a loss in investment results of (\$439,092) due to tax liabilities related to accumulated foreign earnings in compliance with the 2017 tax reform. NCBA CLUSA anticipates the recovery of the investment loss in future years.

Congratulations to the staff, both at headquarters and around the world, for a job well done. The financial outlook for the association remains strong.

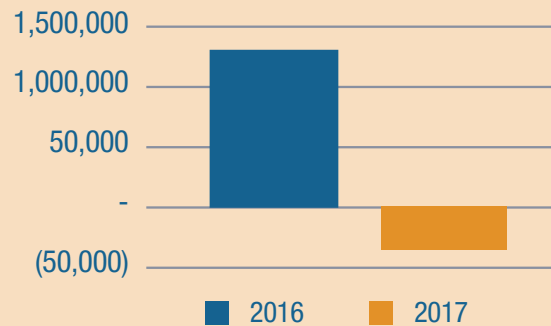


Valeria R. Roach, MBA/ACC
Chief Financial Officer

Membership Dues

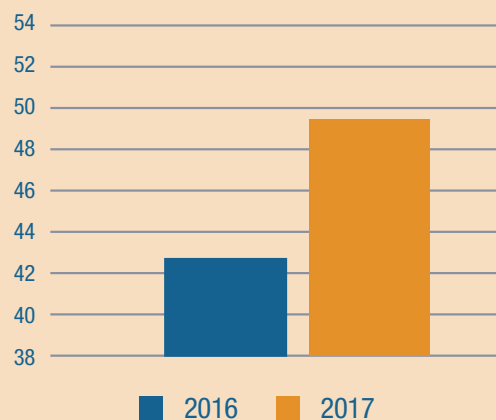


Change in Net Assets



*Operating Income \$90,672 and
Loss on investments (\$439,092)

Grants and Contracts





NCBA UNRESTRICTED

2016

2017

REVENUES

| | | |
|--------------------------------------|-------------------|-------------------|
| Membership Dues | 756,536 | 664,344 |
| Grants and Contracts | 42,575,556 | 49,619,763 |
| Registrations | 165,445 | 342,905 |
| Support | 218,000 | 130,113 |
| Publication & Other | 169,081 | 17,579 |
| Interest | 44,000 | 68,873 |
| Net Assets Released from Restriction | 187,149 | 2,000,573 |
| Loss on Investment | 1,188,726 | (439,092) |
| Total Revenue | 45,304,493 | 52,405,058 |

EXPENSES

| | | |
|--------------------------------------|-------------------|-------------------|
| Federal Awards | 28,356,457 | 33,730,604 |
| Non-Federal Awards | 5,167,662 | 7,087,836 |
| Public Affairs & Membership Services | 954,109 | 894,225 |
| Partner Services | 180,579 | 168,378 |
| Supporting Service | 9,296,979 | 10,872,435 |
| Total Expense | 43,955,786 | 52,753,478 |

Net Income **1,348,707** **(348,420)**



NCBA RESTRICTED

2016

2017

| | | |
|-------------------|------------------|--------------------|
| Revenue | (134,962) | (1,800,592) |
| Expense | - | - |
| Net Income | (134,962) | (1,800,592) |



DOTCOOP

2016

2017

| | | |
|-------------------|-----------------|----------|
| Revenue | 480,700 | - |
| Expenses | 517,735 | - |
| Net Income | (37,035) | - |



CONSOLIDATED

2016

2017

| | | |
|-------------------|------------------|------------------|
| Revenue | 45,650,231 | 50,604,466 |
| Expense | 44,473,521 | 50,952,886 |
| Net Income | 1,176,710 | (348,420) |



RESERVES

2016

2017

| | | |
|------------------------------------|------------|------------|
| Unrestricted (Beginning) | 2,918,197 | 4,266,904 |
| Unrestricted (Ending) | 4,266,904 | 3,918,484 |
| Temporarily Restricted (Beginning) | 15,342,629 | 15,207,667 |
| Temporarily Restricted (Ending) | 15,207,667 | 13,407,075 |

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Contributing writers: Elizabeth Lechleitner, Sarah Crozier

Design: Slice®Works (slice-works.com)

Printing: House of Printing, Burtonsville, MD, U.S.A.

This publication was printed with Earthpride™ vegetable-based ink on 100% recycled paper. Wind energy was used as an alternative and supplemental energy source.

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We live by the 7 Cooperative Principles

We are excited by the boundless prospects of an Inclusive Economy in which people around the world are empowered to contribute to shared prosperity and well-being for themselves and future generations. Cooperatives were created as a method to accomplish this audacious goal more than 150 years ago.

Together, the principles of cooperation and the tenets of an inclusive economy empower people to take on significant roles in their economy to bring about an environment that transforms lives.



To learn more, visit www.ncba.coop





NCBA
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