FACT SHEET

NEBRASKA COOPERATIVE COUNCIL

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Who Are We?

The Nebraska Cooperative Council, founded in 1945, is the state's major trade association representing agricultural cooperatives in Nebraska. Over 48,500 farmers and ranchers own Nebraska's farmer owned supply and grain marketing cooperatives. These cooperatives in Nebraska serve 400 communities and directly employ over 5,000 employees. In addition, thousands of Nebraskans are members of rural telephone and electric cooperatives.

What is a Cooperative?

A cooperative is a business that is owned by and operated for the benefit of the individuals who use its services, the "patrons". For agricultural cooperatives, these individuals are the farmer stockholders, members, owners, and users of the cooperative. For rural electric and telephone cooperatives, these individuals are the users of these utility services. A board of directors is elected by the qualified stockholders or members to direct the cooperative, including setting policy and hiring staff to run the day-to-day operations. Cooperatives provide a variety of services to their farming and ranching members including the processing and marketing of commodities, providing farm supplies and inputs including crop nutrients, crop protection products, feed and energy-related products and services, and utility services.

How are Cooperatives Different from Other Businesses?

The primary difference between farmer owned cooperatives and other businesses is that they are democratically controlled, profits or "savings" are returned to patrons based upon the amount of business done annually, equity earned by the patrons may be allocated but deferred to provide working capital to build the facilities necessary to meet the service needs of the agricultural producer owners and any dividends paid on capital stock must be limited to 8% per annum.

What is the Benefit of Doing Business with a Cooperative?

Through their cooperatives, members are able to strengthen their bargaining power, allowing them to compete globally in a way they would not be able to as an individual producer. Agricultural cooperatives help farmers and ranchers withstand the volatility of the commodity marketplace by pooling together the buying power of hundreds or thousands of individual producers and allowing producers to move further up the value chain when marketing their products. Rural telephone and electric cooperatives serve their members in much the same manner. Farmer owners of agricultural cooperatives leverage their equity in the cooperative to jointly build facilities necessary to meet their needs.

What is Patronage?

Profits and earnings generated by the cooperative are distributed back to the membership based on the members' use of the cooperative. Those earnings are returned to patrons as either cash or equity (members equity credits). These distributions are called patronage.

For More Information:

Please contact Rocky Weber, NCC President & General Counsel
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LEGISLATIVE PRIORITIES

The primary responsibility of the Council in the legislative arena is to monitor and effect legislation that pertains to "cooperative specific issues" that affect the very nature of the cooperative business model. These legislative priorities include, but are not limited to:

- ✓ Cooperatives as business entities unique from corporations and limited liability companies; and
- ✓ Cooperative corporate governance and the rights and obligations of cooperative board members, stockholders and patrons; and
- ✓ Laws, including tax codes, that may affect how cooperatives allocate patronage to their patrons; and
- ✓ Equity management and equity redemption restrictions; and
- ✓ Securities and other "safe harbor" exemptions that provide cooperatives the ability to raise and manage equity
- ✓ Lien priorities for input suppliers

These priorities impact local and regional cooperatives, utility and transportation cooperatives, and the Farm Credit System.

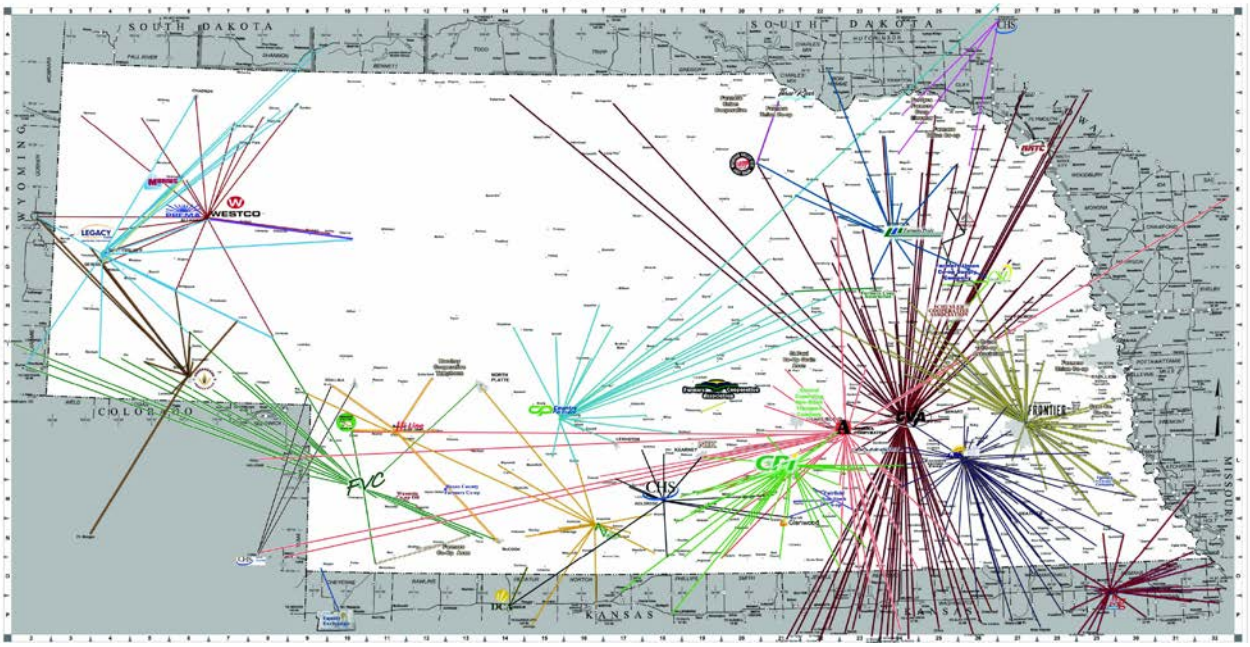
We also monitor legislative and regulatory issues that impact the ability of cooperatives to carry out business that will benefit their farmer-owners and users.

The Economic Impact and Tax Revenue Impact of Nebraska's Supply/Marketing Cooperatives

Nebraska's farmer-owned cooperatives are a cornerstone of the agricultural economy in the state. The facts below from the 2024/25 fiscal year, illustrate the pervasive and profound impact that farmers, doing business on a "cooperative basis," have on our rural economy.

400 cooperative locations in Nebraska and 66 cooperative locations out of state

Nebraska Local Cooperatives and Branches Operating on a Cooperative Patronage Basis
as of May 15, 2026



It is important to realize that the vast majority of the salaries, taxes, and investment is being made in our state's most rural communities where few other businesses or individuals are investing.

These farmer-owned cooperatives are not only providing needed goods and services for over 48,500 Nebraskans, but because the cooperatives are farmer owned, the savings (profits) generated are returned to the farmer owners in the form of patronage.

total employees
5,089

total voting members
48,556

annual total sales
$8.2 billion

annual payroll w/ benefits
$435 million

annual equity/estate redemptions
$34.3 million

annual patronage allocations - cash / deferred
$26.4 million - cash
$67.3 million - deferred

annual investment in new equipment/facilities
$327 million

annual total property taxes paid
$18 million

total federal/state income taxes paid
$11.6 million

total charitable, scholarship & community support donations
$4 million

In 2022, the Nebraska Cooperative Council commissioned the Bureau of Research at the University of Nebraska-Lincoln to conduct a study of the economic effect of Nebraska's farmer owned supply/marketing and regional cooperatives. According to the study, published in 2023, Nebraska's supply/marketing cooperatives and regional cooperatives' operations in Nebraska provided a **$3.1 billion impact on Nebraska's economy**. Of this total, average annual economic impacts of **$213.4 million were felt in the Omaha and Lincoln metropolitan areas**.