

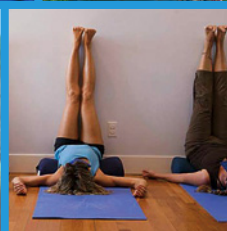
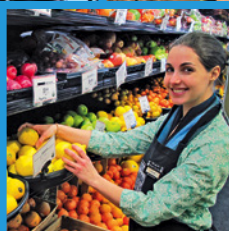
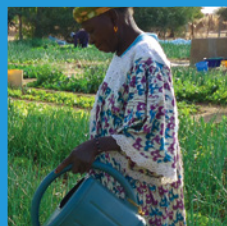
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BUILDING A COOPERATIVE FUTURE



2014

NCBA CLUSA

The National Cooperative Business Association • CLUSA International

ANNUAL REPORT

1

2

3

4

2014
NCBA CLUSA
ANNUAL REPORT



2 Message from the President & CEO and Chair

6 Association Services

- 9 Membership
- 10 Cooperative Business Associations
- 12 Advocacy
- 13 Conferences
- 17 Thought Leadership

22 International Program

- 26 A Success Story
- 28 Project Profiles
- 40 Impact Statement
- 42 Donors and Partners

44 Financials

- 44 Financial Report
- 46 Audit Report
- 48 Board of Directors



MESSAGE FROM
THE PRESIDENT & CEO
AND CHAIRMAN

How do we best build a cooperative future? We begin by being relevant.

Relevance is defined as “being important to the matter at hand.” For NCBA CLUSA, relevance means being important to cooperatives, cooperators, and an entire movement that is united by 7 cooperative principles.

NCBA CLUSA continues to be the leading organization that bridges the multiple cooperative sectors together. Cooperative principle six, cooperation among cooperatives, is the driving force for this activity, which the leadership of the organization has defined as convening. By convening important and necessary parties, organizations, and cooperative leaders, together we can respond and meet the challenges and needs of consumers through a unified cooperative movement.

In 2014, NCBA CLUSA continued to build a cooperative future and lead the cooperative sectors forward by putting special emphasis on its relevance through leadership in finance, domestic, and international work.

FINANCE

This annual report is a reflection of the significant and powerful work to restore full and financial health to a storied trade association and development agency. First, In 2014 NCBA CLUSA moved to retire its debt against its main line of credit by aligning its cash flow as a federal government contractor. That step means that the income generated in 2014 and going forward can be focused on building necessary cash reserves for its next 100 years. Second, NCBA CLUSA increased its profitability in 2014 to \$737,130 building on the 2013 return to profitability after significant losses in 2011 and 2012. This past year also saw significant progress on the joint work and ownership of dotCoop, which meant that \$159,326 of the debt to NCBA CLUSA's reserves were paid back ahead of schedule.

Through careful cost management these strong results have provided a solid foundation of growth as we further developed the membership base of the trade association, increased sponsorships, and produced well-attended conferences and activities.

DOMESTIC

NCBA CLUSA's domestic agenda is focused on building, promoting and protecting the cooperative business model. At the center of this agenda is the work we do to convene cooperatives across sectors. In 2014, NCBA CLUSA continued to build a cooperative future by furthering its collaboration with the Austin Cooperative Business Association located in the heart of Austin, Texas. Working with ACBA's Board, we collaborated on funding for their first paid Executive Director, and to work on collaboration around activities such as the Austin Cooperative Summit and working directly with the Austin city government to develop the local cooperative economy. But the work and learning isn't just about Austin! It has also been about working towards a way forward on dozens of local cross sector groups and their development. That led to the convening of the first initial conference calls with local cross sector groups during 2014, and the first in person gathering of these leaders in Washington, DC in conjunction with the 2015 NCBA CLUSA Annual Cooperatives Conference.

The early results are clear: For NCBA CLUSA to build its membership base and to be relevant locally as well as nationally and internationally, supporting, nurturing and assisting in the development of a platform for local cross-sector cooperative business associations is a priority.

The cooperative business model has strong legislative and regulatory underpinnings within the credit union, rural electric and agricultural sectors across the country. However, for other types of cooperatives, there is a patchwork of cooperative laws, both strong and weak with an absence of a legal framework in many states. NCBA CLUSA realized the need and in 2014, convened the first gathering of cooperative professionals from the legal and accounting fields specifically to address and identify ways to work towards the development of a census of the state of current cooperative law. This work will also include documentation of the protection of the term "cooperative" as many non-cooperatives have encroached on the use of the abbreviation.

Going forward, NCBA CLUSA is dedicated to convening these legal and accounting experts to further the development, acceptance and utilization of the cooperative business model.

**TOGETHER WE CAN
RESPOND AND
MEET THE CHALLENGES
AND NEEDS
OF CONSUMERS THROUGH
A UNIFIED COOPERATIVE MOVEMENT.**



NCBA CLUSA continues to diligently work on behalf of our members and all of the cooperative sectors through advocacy efforts on Capitol Hill. In 2014, efforts to restore the Rural Cooperative Development Grant program of the U.S. Department of Agriculture (USDA) paid off. USDA staff restored a line item and budget request for the funding after 2 years without a formal request. The funding had continued during these years because of work with Congress to keep this funding open for cooperative development through more than 20 cooperative development centers across the U.S.

Additionally, NCBA CLUSA has been working to protect cooperatives from potentially detrimental changes in service to cooperatives from the USDA. The USDA's recent efforts to reorganize its Congressionally mandated responsibilities to cooperatives have been called into question. NCBA CLUSA has been on the front lines of discussions and efforts to hold the agency accountable for its restructuring, ensuring that cooperatives remain an integral part of the economic activity of the agency.

NCBA CLUSA will continue to be a strong voice for cooperatives before Congress, the USDA and the rest of the Administration.

INTERNATIONAL

NCBA CLUSA celebrated its 60th year of service as an international development agency in 2013. The work that began as the efforts of the members of NCBA CLUSA decades ago has expanded and grown into a global operation employing more than 600 full time employees on 3 continents. The portfolio of the international NGO, still known as CLUSA International abroad, reached nearly \$50 million dollars in annual funding.

NCBA CLUSA has also diversified its funding partners, adding to its donor relationship with United States Agency for International Development (USAID) and the United States Department of Agriculture (USDA). NCBA CLUSA is also working with other governments and has funding from Norway and New Zealand. In 2014, new funding partners were added to the international portfolio; MasterCard Foundation for work related to youth and agriculture, and Starbucks Foundation in East Timor where NCBA CLUSA is working to build and improve the water supply for coffee operations of local cooperatives.

The international portfolio continues to grow, with a renewed presence in Latin America starting in 2014, and a presence in two new African countries, Madagascar and Malawi.

NCBA CLUSA President & CEO Mike Beall represented cooperatives during the United Nation's 20th annual International Day of Cooperatives, serving as a panelist during the program "Cooperative Enterprises Achieve Sustainable Development for All." As a result of this

presentation, the Food and Agriculture Organization of the UN sought further discussions on NCBA CLUSA's efforts in Africa and included us in a UN Expert Group Meeting and Capacity Building Workshop in Kenya in December 2014.

NCBA CLUSA worked very closely with Desjardin during the Quebec International Summit of Cooperatives to increase the U.S. cooperative presence at the summit. To that end, more than 150 U.S. cooperative leaders attended, and NCBA CLUSA hosted the first American gathering of cooperative leaders during the pre-conference programming, leading a workshop on the Blueprint for a Cooperative Decade.

Being relevant is the key to building a cooperative future that will last, and solidifying the cooperative way as a viable way of doing business here in the U.S. and in nations around the world.

Michael V. Beall, Esq.
President and Chief Executive Officer

Jerry McGeorge
Chairman of the Board of Directors

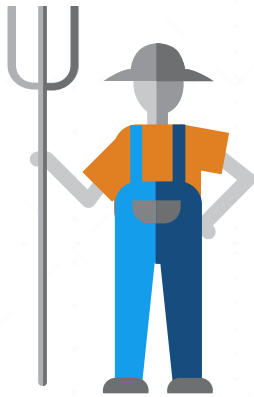
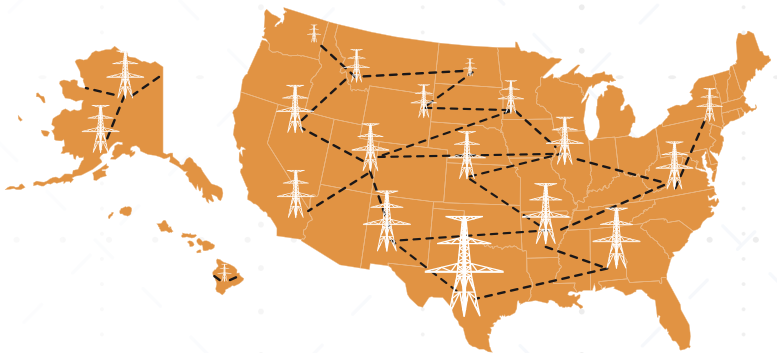


1 in 3

Americans is a member of a co-op and they collectively hold 350 million memberships nationwide

42 million

Americans rely on electricity from 900 electric co-ops in 47 states, making up 42% of the nation's electric distribution and electrifying 75% of the nation's landmass



Most of the nation's
2 million

farmers belong to a farmer co-op and provide 250,000 jobs and over \$8 billion in annual wages



More than
100 million
Americans turn to more than
6,000
Credit Unions for their financial services



233 million
Americans are served by co-op owned and affiliated insurance companies

FEDERAL CREDIT UNION





ASSOCIATION SERVICES



For nearly 100 years, NCBA CLUSA has been dedicated to the continued growth and strengthening of cooperative businesses across the United States. Cooperatives at all levels and in all sectors provide a much needed and sought after alternative to other business models.

Our work is concentrated on BUILDING the cooperative infrastructure, PROMOTING the cooperative economy, and PROTECTING the cooperative business model.

We believe in collaboration, and in bringing value to the many efforts already underway through our cooperative development partners and collaborators in keeping with Principle 6 of the Cooperative Principles. We are committed to building a cooperative future through our role as facilitator, convener, and supporting partner, as we assist our members in their work by strengthening the structure, reach and financial sustainability of existing cooperatives, and their efforts to establish new cooperatives. The following pages highlight our efforts to engage in the cooperative community, promote the cooperative business model, and connect with fellow cooperators around the nation.

Membership

Engagement, dedication, and service make up the framework on which NCBA CLUSA membership is built. Using The Blueprint for a Co-operative decade as a guide, Membership in NCBA CLUSA has steadily increased as more and more cooperatives and cooperators are able to reap the benefits membership provides. Building a cooperative future starts with convening and collaborating, supporting each other and working together.

Membership in NCBA CLUSA continues to increase participation across all sectors of cooperative work and continually builds on mutually achieved success. Whether one-on-one, at a meeting or conference and even in an email or social media post, we strive to connect members with each other to make their product or service better.

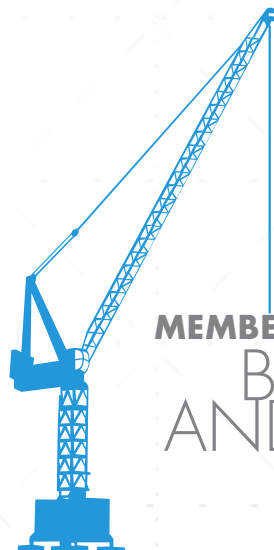
Your membership provides the opportunity for NCBA CLUSA to continue to provide services that support and build the cooperative movement across all sectors. In 2014 we aggressively re-aligned our membership strategy to in-

clude more unique member connections in cooperative communities nationwide.

We are your co-op connection. Our knowledgeable staff is on hand to be the resource our members need to increase their connection to the cooperative space. One of our most important jobs as your association is getting you the answers you need. We strive to be one of the most important resources in your arsenal.

Our success relies on your continued support and involvement. We have also learned from your insight and feedback that keep our sights focused on the appropriate products, services and information that you need to run your cooperative. So, thank you for helping us serve you better.

We want to have your confidence that we are serving you in the best way possible – in a way that not only serves you, but your community and the cooperative movement. Thank you.



**MEMBERSHIP IS ABOUT
BEING ENGAGED
AND VISIBLE
WITH MEMBERS.**

Cooperative Business Associations

During 2014, the cooperative business community witnessed the growth of many cooperative cross-sector groups referred to in many circles as Cooperative Business Associations (CBAs). The CBAs are organic in nature and bottom-up organizations. They are, for the most part, volunteer organizations often founded by staff from food cooperatives, worker cooperatives, housing cooperatives and credit unions. The genesis of the most recent groups appears to be an outcropping of the United Nations' International Year of the Cooperatives (2012), which saw a surge of food cooperatives and the rise of worker cooperatives. CBAs are not restricted to a few geographical areas; rather they are located throughout the United States; New England, mid-Atlantic, the South, the Pacific Northwest and all over the Midwest. That they are found in all parts of the US makes their presence even more profound.

These nascent CBAs, while all unique and reflective of their locale and the needs of cooperative community they represent, do share common core values, as well as a common vision and purpose. They are like-minded when it comes to the tenets and underpinnings of their groups. They are committed to raising the profile of cooperatives and the cooperative business model in their community. They seek to strengthen the relationship between cooperatives in their communities as well as to increase the measure of business those cooperatives engage in with each other. They seek to deepen the economic impact cooperatives have in their communities

and they intend to measure that impact. They will model exemplary community and business citizenship in how they relate to their community at large, as well with the businesses and local governments based in their communities.

As a cooperative leader, NCBA CLUSA, like many cooperative businesses and organizations, believes that cooperatives are poised for incredible growth and impact during the next 5 to 10 years. Further, NCBA CLUSA believes the CBAs will be a positive and critical component during that time. The CBAs are in a unique position to drive national cooperative initiatives given their close relationship to the cooperatives in their community. The fact that they are co-op led and cross-sector in representation may very well allow them to be instrumental in the establishment of new cooperatives in their community. Throughout this past year NCBA CLUSA has had the great opportunity to meet with and listen to a great number of prospective CBAs and has an on-going commitment to, not only extend its role as convener of the CBAs, but also believes it has a responsibility to provide, when possible, guidance, structure, resources, and leadership so that each group will have the opportunity for long-term success.

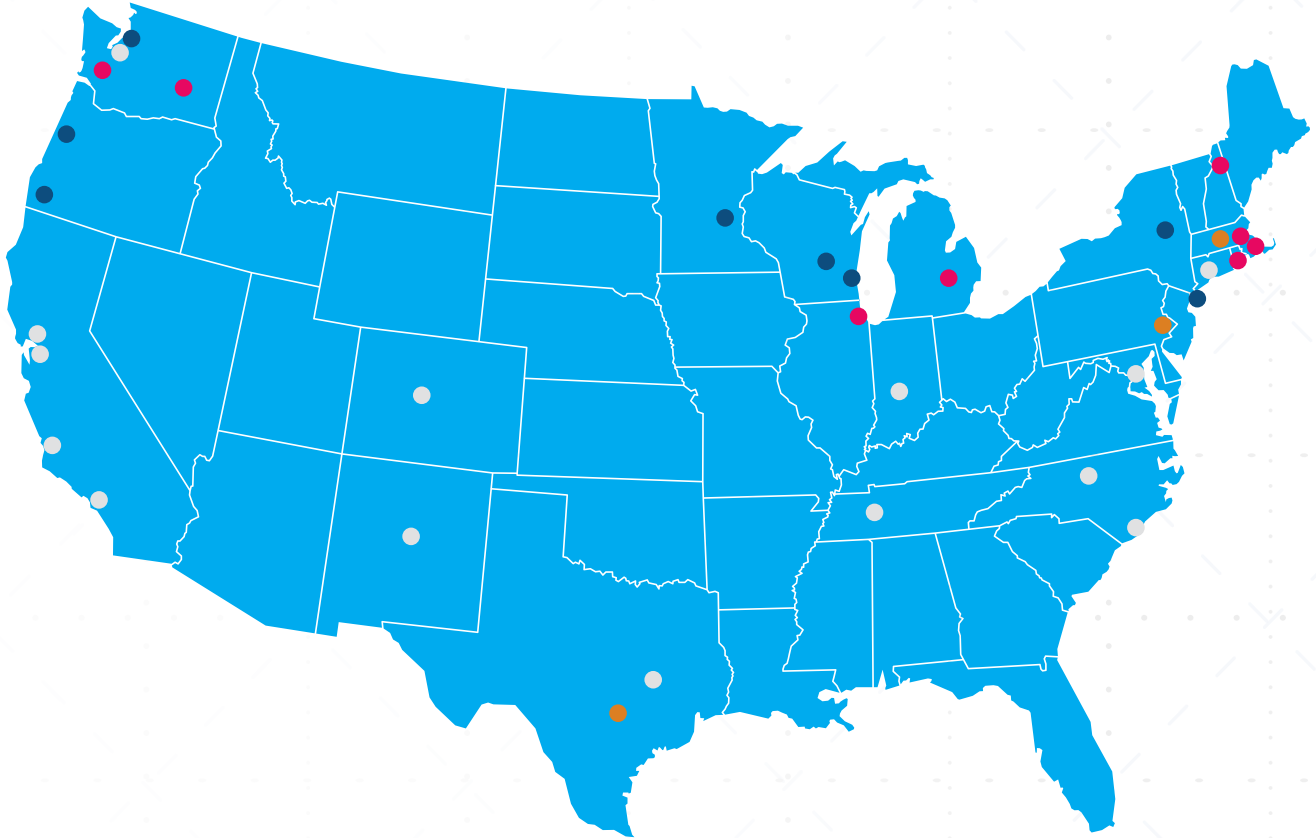
In 2014, NCBA CLUSA established two CBAs and inspired and organized a number of groups poised to form into CBAs.



**THE CBAS ARE IN A
UNIQUE POSITION
TO DRIVE NATIONAL
COOPERATIVE INITIATIVES
GIVEN THEIR CLOSE RELATIONSHIP
TO THE COOPERATIVES
IN THEIR COMMUNITY.**



CURRENT STATUS OF ORGANIZING GROUPS



CBAS LAUNCHED

Austin CBA
Austin, TX
Philadelphia Area Coop Alliance (PACA), Philadelphia, PA
Valley CBA
Greenfield, MA



CBAS FORMALLY ORGANIZED:

CoMinnesota
Minneapolis, MN
Cooperative Economics Alliance NYC
New York City
Dane Cooperative Alliance
Madison, WI
Portland Project for Cooperative Innovation
Portland, OR
Riverwest Cooperatives
Milwaukee, WI
Rogue Cooperatives
Eugene/Southern Oregon
SLICE
Seattle, WA
Upstate NY Cooperatives
Syracuse/Upstate, NY



LOCAL/STATE CBA GROUPS IN FORMATION

Bellingham, WA
Boston, MA
Chicago, IL
Michigan (Michigan Alliance of Cooperatives)
Olympia, WA
Providence, RI (Fertile Underground Natural Cooperative)
Vermont (Cooperative Vermont)
Worcester, MA



CBA GROUPS IN THE EARLY STAGES OF DEVELOPMENT:

Connecticut
Denver, CO
Greenbelt, MD
Indianapolis/Bloomington, IN
Los Angeles, CA
Memphis, TN
New Mexico
Oakland, CA
Raleigh, NC
Santa Barbara, CA
San Francisco, CA
Tacoma, WA
Wilmington, NC
Houston, TX

Advocacy

Consumers, producers, and individual workers and groups throughout the United States and around the world continue to seek the economic freedoms and choices that cooperative businesses provide in virtually every sector of the economy. These choices collectively help meet their living needs as well as exercise their intrinsic social values. While the cooperative model is far from a new concept, the understanding and awareness of those whose decisions impact this way constantly need to be explained and elevated in an ever-complex society.

To build a cooperative future, advocacy is helping to educate and inform the public, their elected officials, and other government leaders about the unique nature of cooperatives; what a co-op looks like, who are co-ops, where are co-ops, and why do people choose them. Awareness challenges could enable policymakers to make key decisions that may threaten the operation of the cooperative model and its ability to provide competition and alternatives to other forms of business in the U.S. economy; impacting the existence and delivery of goods and services and jobs

and the very economic freedoms that millions of American consumers rightfully demand and choose.

In 2014, advocacy for cooperatives helped create an interagency working group on cooperative development in the federal government, protected and delivered millions of dollars in financial resources for cooperative development in rural areas, positioned cooperatives in the discussion toward favorable tax treatment in tax reform proposals, and championed the role of cooperatives in providing global food security, among others.

This important work continues today and future advocacy work will build on these accomplishments in coming years. A first ever cross-sector advocacy conference will continue to show the collective strength of the cooperative movement and continue to inform

and educate the public and elected policymakers on the importance of the cooperative model towards jobs and the economy. A Congressional Cooperative Business Caucus will be proposed as a platform and venue to continue this dialogue of educating and informing on numerous specific topics affecting the cooperative business model. Protecting the important role of quantifying cooperative data, research, statistics, and laws will help strengthen the perception of cooperatives in the economy and the continued need to invest in their development. Finally, NCBA CLUSA will continue to pursue the important role cooperatives play in economic development through the world and their ability to transform economies and protect financial security from threats.

NCBA CLUSA's advocacy efforts will continue to be focused on creating positive and enabling environments in which cooperatives can thrive and protect an individual's economic freedoms and choices.

**ADVOCACY IS HELPING TO
EDUCATE AND
INFORM THE PUBLIC
AND GOVERNMENT
LEADERS
ABOUT THE UNIQUE NATURE
OF COOPERATIVES.**



Conferences

ANNUAL COOPERATIVES CONFERENCE & PURCHASING COOPERATIVES CONFERENCE

Hosted by the cooperative friendly city of Minneapolis, Minnesota the 2014 Annual Cooperatives Conference was coupled with the annual Purchasing Cooperatives Conference providing a week of cross sector networking and learning.

At NCBA CLUSA's Annual Business Meeting, September 9, 2014 the City of Minneapolis, Minnesota declared the week of September 8-12 the city's official Co-op Week. Kevin Reich, City Councilman of the First Ward of Minneapolis, read the declaration to the attendees.

The declaration came at the height of co-op activity throughout the city, which included a regional meeting of the National Rural Electric Cooperative Association, the grand opening of Fair State Cooperative Brewery and the convening of NCBA CLUSA's two conferences.

"We are pleased that we were able to be part of the catalyst for this declaration and look to other cities to officially recognize the value co-ops bring to all aspects of the community life."

— Mike Beall,
president and CEO,
NCBA CLUSA



Above: NCBA CLUSA President & CEO addresses members of the Fair State Co-op Brewery during the 2014 Annual Cooperatives Conference in Minneapolis, Minnesota.

Right: Attendees of the 2014 Purchasing Cooperatives Conference.



***"[Cooperators]
are dangerous
people, do you
know why?
Organized
people
are more
dangerous
than organized
money!"***

– Wendell Paris

Conference Highlights

A joint keynote address by Dame Pauline Green, president of the International Cooperative Alliance, inspired a crowd of more than 100 participants and attendees. Her message on The Blueprint for a Cooperative Decade shared the work that is being done around the world to provide better awareness and identification of cooperative businesses.

"The [International Cooperative] Alliance has member cooperatives in nearly 100 countries around the world. Those co-operatives are owned by a billion of the world's citizens," Green said during her address. "Using the CO-OP Marque demonstrates our shared values across national boundaries."

The Global Food Security Panel discussion on September 10, was preceded by a video message from Minnesota State Senator Amy Klobuchar, who opened her remarks by sharing her spin on words from Minnesota's unofficial poet laureate Garrison Keillor, "Minnesota is a state where all the women are strong, the men are good looking, and all the co-ops are above average."

Klobuchar also referenced her recent trip to Africa, during which she was able to visit one of NCBA CLUSA's USAID-funded flagship food security projects in Senegal. The panel then turned its attention to the role of co-ops in ensuring the world has enough to eat through sustainable agriculture and market linkages, which are a natural connection point for cooperatives.

The conference concluded with a panel conversation addressing co-ops and the Civil Rights movement. This year marks the 50th anniversary of the Civil Rights Act. Panelists recounted the role co-ops played in the movement and shared their own experiences with attendees.

Referring to the impact made by cooperatives, Wendell Paris of the Federation of Southern Cooperatives reminded attendees of the power they can wield for good.



Above: Dame Pauline Green, president of the International Cooperative Alliance, speaks during a joint session of the 2014 Annual Cooperatives Conference and Purchasing Cooperatives Conference.



Left: NCBA CLUSA COO for International Development Amy Coughenhour participates in a panel during the 2014 Annual Cooperatives Conference.

COOPERATIVE PROFESSIONALS CONFERENCE

The first Cooperative Professionals Conference was held in Denver, Colorado in November of 2014. 35 professionals across five disciplines (legal, accounting, human resources, financial advisors, investment advisors) met for two days in intensive learning sessions where technical information was presented and discussed.

The conference focused on the role that laws and regulations play in business and how they impact cooperative work. This newly formed conference provided a unique opportunity to address those issues and collectively formulate a national strategy that seeks to benefit cooperative business. The three-day conference was the first of its kind in the cooperative sector, offering

seven Continuing Legal Education (CLE) credits to the attendees through the state of Colorado, with more planned for 2015's conference.

Dozens of cross sector professionals with expertise in legal and accounting practices gathered amongst their peers to work on issues affecting cooperative law and finance. Through panel discussions and workshops these experts engaged in discussions centered on the areas of the cooperative business format and organization; regulation and compliance; governance; taxation; finances and securities; and the role of cooperatives in the economy.

Ted Howard, Executive Director and co-Founder of the Democracy Collaborative, was the conference's keynote speaker and spoke to the role cooperatives play in combating poverty and in community development.

The 2015 Cooperative Professionals Conference will be held on November 9–11 in Minneapolis, Minnesota.

**NCBA CLUSA
President and CEO
Mike Beall (left) and
legal and accounting
professionals who
serve the cooperative
community (below)
at NCBA CLUSA's
inaugural Cooperative
Professionals
Conference in Denver,
Colorado.**



“As NCBA CLUSA looks to the future, the vision is for the conference to grow deeper in content and wider in opportunity. The CCMA partnership with NCBA CLUSA will provide the needed support and infrastructure to make that happen.”

—Ann Hoyt, retiring conference director and NCBA CLUSA board member.

CCMA MANAGEMENT TRANSITION

NCBA CLUSA assumed the management of the Consumer Cooperative Management Association conference immediately following the 2014 conference and was on hand participating, listening and absorbing the various elements of this highly regarded conference. Without compromising the culture of the conference, NCBA CLUSA is looking to enhance communication between co-ops and expand the current footprint of this conference, providing greater opportunities for networking and co-op to co-op collaboration.

This partnership taps into the vast cross sectorial reach of NCBA CLUSA into the cooperative community throughout the nation. NCBA CLUSA moved forward in a collaborative way,

being sure to enhance communication between conference organizers and stakeholders, to ensure the conference continues to fulfill its purpose.

And this engagement continued over the next year, with NCBA CLUSA focusing on engaging attendees through surveys, focus groups, and open discussions with stakeholders, using its recognized role as cooperative convener to expand the future of the CCMA conference.

The 2015 CCMA conference will be held in the city of Boise, Idaho and will be co-hosted by the Boise Co-op.

**CO-OP TALKS...
CREATE
SYNERGIES
BETWEEN
SECTORS
AND GROW STRATEGIC ALLIANCES.**



Thought Leadership

CO-OP TALKS

Based on principle six (cooperation among cooperatives) of the seven cooperative principles NCBA CLUSA hosted a series of town hall style meetings titled “Co-op Talks” throughout the country in 2014 that were designed to bring together leaders from all sectors of cooperatives to help create synergies between sectors and grow strategic alliances. Through these meetings co-ops had the opportunity to build business relationships and strengthen cooperative culture. The discussions focused on issues that affect the growth and development of cooperatives.

These forums provided a platform for cooperative businesses to highlight success stories and showcase examples of their role in their local, state, national, and global economic communities. Through these conversations, co-op leaders were able to identify some of the challenges and hurdles cooperative businesses face and identify possible solutions to them.

Three such meetings took place in 2014. The first was convened in Madison, Wisconsin followed by Denver, Colorado and Austin, Texas.

Held at the newly-built Wheatsville Food Co-op just outside the city of Austin, Texas, this Co-op Talk convened more than 30 participants in an intimate discussion on cross-sector collaboration and the effect cooperatives have on Austin’s local economy.

The keynote, “The importance of Cross-Sector Collaboration between Credit Unions and Other Cooperatives” was presented by Courtney Moran, Executive director of the Cornerstone Credit Union Foundation. The 45-minute talk was highly interactive with participants listening, sharing and finding ways to apply the principles that were discussed.

Following the address, local leaders including Charlie Agar, executive director of HomeCare Foundation; Evan Autry, director of Legislative Affairs for Texas Electric Cooperatives; and Nicole Renaux, business team member and board staff liaison for Black Star Co-op, were led by NCBA CLUSA President and CEO Mike Beall through a discussion of the role of cooperatives in Austin’s economy and opportunities for new and continued cross-sector collaboration.

Cooperators discussed the impact co-ops have on Austin’s economy during NCBA CLUSA’s Co-op Talk in Austin, Texas, in November.



DOTCOOP

As a proven alternative to the investor-owned business model, the idea of co-ops knowing they are different is great. But in 2014, it was clear that every co-op should be empowered to show it.

In the United States, a total of 98 new .coop domain registrations were added in 2014. Each one of those new registrations also signed up to use the Cooperative Marque, an added testimony to the increasing desire of businesses within the cooperative movement to identify as co-ops. More than 106 individual cooperatives in the United States have registered to use the marque. Net profit in sales of .coop domains was just over \$150,000 for the year.

NCBA CLUSA is dedicated to the idea that co-ops everywhere need to share stories about the impact their co-op is making and own the fact they are different by telling the world why. Through the lens of storytelling, the .coop domain, the Cooperative Marque and membership at NCBA CLUSA, we give cooperatives a personality – an identity – that consumers can understand.



Above right: The Co-op Month toolkit assets included posters in four different colors available for download.

Right: Co-ops are a bright spot for job creation in rural America, panel members concluded at October's Co-op Month Forum hosted by NCBA CLUSA at the National Press Club in Washington, D.C.

CO-OP MONTH

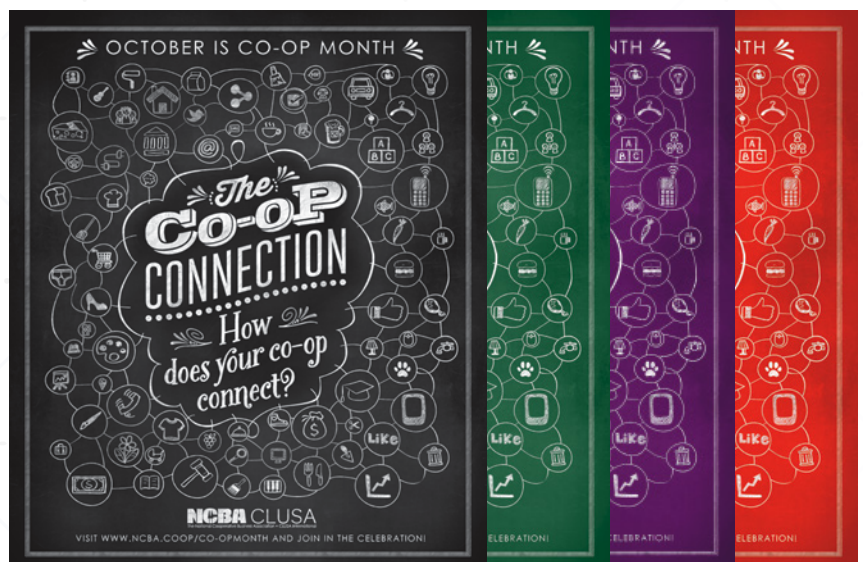
Connection is a major differentiating factor between the cooperative business model and traditional businesses. Cooperation is all about connecting... connecting to individuals, connecting to families, connecting to the local community, and connecting to the world. This theme encourages cooperatives across the nation to share their stories of how they connect.

The 2014 Co-op Month theme, "The Co-op Connection: How does your co-op connect?" challenged the co-op community to tell their co-op story in more ways. All month long co-ops shared their stories with other co-ops and the general public, energizing the communi-

ty and making their stakeholders aware of how they connect with each other and the world around them.

To help co-ops celebrate the month, NCBA CLUSA provided a communication tool kit with various resources and guides to spark imagination and fuel creativity.

On October 24, 2014 NCBA CLUSA hosted a Co-op Month event at the National Press Club in Washington, DC. This event brought together representatives from the U.S. Department of Agriculture (USDA), the Small Business Administration (SBA) and representatives of the cooperative community to discuss the impact cooperatives have on the nation's economy.



2014 INTERNATIONAL SUMMIT OF COOPERATIVES, QUEBEC CITY, CANADA

Held October 6–9 in the Quebec City, Canada, this international conference drew an audience of over 5,000 attendees and cooperators. Mike Beall, NCBA CLUSA president and CEO moderated a panel of economic professionals that addressed the scale of cooperative employment and its proven ability to help people achieve financial independence.

NCBA CLUSA's international work was recognized at this conference when Amy Coughenour, NCBA CLUSA's Chief Operating Officer for International Development, shared a unique perspective on smallholder farming during a panel discussion on family farming and food security.



NCBA CLUSA COO for International Development Amy Coughenour (second from left) said smallholder farmers are the key to global food security during a panel at the 2014 International Summit of Cooperatives in Quebec.

Below: Cooperatives are key partners in economic recover, NCBA CLUSA President and CEO Mike Beall said while moderating a panel on job creation at the 2014 International Summit of Cooperatives in Quebec.



UN MEETING

Furthering the cooperative movement, NCBA CLUSA was invited to speak at the United Nations in July of 2014 to discuss and share the impact of cooperative development on sustainability in international development.

The UN has actively sought the inclusion of cooperatives since it named 2012 the International Year of Cooperatives. "Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility," UN Secretary General Ban Ki-moon said during observations that year.

Beall highlighted several NCBA CLUSA projects to illustrate cooperative enterprise in action. In Senegal, the nutrition-led and conservation agriculture project Yaajeende is reducing hunger and increasing crop yields. The Yes Youth Can! Project in Kenya grooms thousands of disadvantaged young people for future employment, entre-

preneurship and community leadership. With an estimated 70 percent of the population of the continent of Africa under the age of 30, young people are a key demographic to engage in sustainable development. The project has already seen close to 40,000 youth elected to leadership positions both locally and nationally.

"The work you do is very close to the work that we are doing at the UN. This is grounds for a constructive partnership," said Maxwell Haywood, Focal Point on Cooperatives for the Social Perspectives in Development branch of the DSPD/DESA. "[NCBA CLUSA's] insight on the cooperative sector helps strengthen the process of promoting the growth and development of cooperatives in the context of sustainable development."

NCBA CLUSA President and CEO Mike Beall said cooperatives are powerful sustainable development partners during a panel at the United Nations in July.



U.S. – CUBA COOPERATIVE WORKING GROUP

NCBA CLUSA was at the leading edge of a historic shift in U.S.– Cuban relations in 2014. In July, NCBA CLUSA led an education and research tour of Cuba's emerging co-op sector. As part of its pursuit of economic reform, Cuba is shifting many of its state-owned farms and businesses into cooperatives, providing a newfound sense of ownership and greater economic independence for member-owners.

With the Obama Administration's decision in December to normalize diplomatic relations with Cuba, NCBA CLUSA found itself uniquely poised to advance Cuba's cooperatives as part of the country's nascent private sector. NCBA CLUSA has since formally launched the U.S. – Cuba Cooperative Working Group, along with a report based on findings from the research trip. With this bold and experimental transition, Cuba is building what could become a dynamic, cooperatively-based economy that protects local interests and benefits both producers and consumers. NCBA CLUSA is committed to supporting this process and applying potential lessons domestically.

PAPE M.D. SENE INDUCTED INTO THE COOPERATIVE HALL OF FAME

Pape Sene's dedication to cooperatives and improving lives through cooperative development started long before this 30-year tenure with NCBA CLUSA. Sene grew up in Warang, Senegal, where cooperating was a natural way of life. Throughout his life, he taught, enhanced, and ultimately, globalized cooperative values and development. An Eagle Scout, Sene began spreading the co-op message during his early years with the Boy Scouts, and then expanded it by leading a transformative co-op housing movement in the suburbs of Dakar in the 1970s.

After serving a regional cooperative through the Senegalese government, Sene studied, and later taught, cooperative business at the National School for Applied Economics and completed two

higher degrees in adult education and rural sociology in France.

Sene took bold leadership on the formation, implementation and constant refining of the successful and widely replicated "CLUSA Approach," a participatory method of cooperative and local development that has changed hundreds of thousands of lives in 22 African countries and around the world. This approach has been applied to natural resource management, community-based health, food security, governance strengthening, and the empowerment of women and youth. During his 30 years with NCBA CLUSA, Sene has been recognized by USAID and the World Bank, has written several books, delivered hundreds of presentations, and received numerous awards for his achievements.

Pape was recognized at the annual Cooperative Hall of Fame Dinner and Induction Ceremony at the National Press Club in Washington, DC on Wednesday, May 7, 2014.

Papa Sene, Senior Technical Advisor for NCBA CLUSA's Yaajeende nutrition-led agriculture project in Senegal, was inducted into the Cooperative Hall of Fame in 2014.







INTERNATIONAL PROGRAM



Building, forming, and supporting community groups through cooperative principles is the bedrock of NCBA CLUSA's international development work. Whether leading a flagship nutrition-led agriculture project in Senegal or investing in youth-led democracy and governance in Kenya, NCBA CLUSA believes that the core of sustainable development is strong group development and integration, transforming vulnerable populations into resilient, empowered and productive communities.

NCBA CLUSA is active in 17 countries in Africa, Central America and Southeast Asia, focusing on the areas of cooperative development; food security, nutrition and agriculture; democracy and governance; the economic empowerment of women and youth; natural resource management; and community-based health.

EXPANDING STRATEGIC PARTNERSHIPS

In 2014, NCBA CLUSA expanded its international portfolio through relationships with new funders, including MasterCard and Starbucks. An \$11.3 million grant from the MasterCard Foundation secures NCBA CLUSA's continued presence in Uganda, where it led the successful Uganda Conservation Farming Initiative impacting more than 60,000 rural smallholder farmers. The new project, called Youth Empowerment Through Agriculture (YETA), will engage a generation of young people who grew up without the benefit of a strong education, job experience or financial literacy by linking them to NCBA CLUSA's existing cooperative networks. With more than 70 percent of its population under the age of 25, Uganda's need for youth empowerment runs deep and a solution to widespread youth unemployment is critical to the country's continued peace and productivity.

Also in 2014, NCBA CLUSA was the recipient of a \$750,000 grant from new funder Starbucks Foundation to support coffee farmer livelihoods by providing clean, abundant and accessible water to 25,000 people in 90 coffee-producing communities in Sumatra, Indonesia. NCBA CLUSA and its local partners have worked with Starbucks since 1994 and are currently among the company's major coffee suppliers worldwide. NCBA CLUSA is proud to be part of Starbucks' commitment to ethical sourcing.

STRATEGIC AGREEMENTS

In June, a breakthrough agreement with the Government of Kenya cemented NCBA CLUSA as a cooperative leader in Kenya and better positioned the organization for future work in the country. This memorandum of understanding represents the next step in NCBA CLUSA's ongoing work in Kenya. NCBA CLUSA has worked in the country for more than a decade, enhancing agricultural productivity, fighting poverty and promoting economic and social equity.

Another MOU signed in 2014 between NCBA CLUSA and the African Confederation of Cooperative Savings and Credit Associations strengthens the link between NCBA CLUSA's development work and the financial resources of Africa's credit unions, maximizing both organizations' impact on agriculture, youth development and cooperative health.

DEVELOPMENT PRIORITIES

NCBA CLUSA's solution to chronic food insecurity is to strengthen the availability of, access to and utilization of food—along with a governance framework to lend stability and sustainability—at the smallholder farmer level. We refer to this approach as the four pillars of food security. An economic growth strategy around agribusiness and commercial farming alone will not end global stunting and malnutrition. Using strategies such as conservation farming and nutrition-led agriculture, NCBA CLUSA works to increase the availability of diversified foods smallholder farmers require to meet the nutritional needs of their families. Our flagship nutrition-led agriculture project in Senegal, Yajeende, highlights Vitamin A and other micronutrients found in orange-flesh sweet potatoes. NCBA CLUSA also prioritizes nutrition education for women, knowing that they play a critical role in producing, purchasing and preparing food. The fourth pillar of food security, governance and stability, is unique to NCBA CLUSA's approach. We believe cooperatives are the vehicle for smallholder farmers to access new farming technologies, better resources, leverage their buying power and obtain critical access to finance and wider markets. Ultimately, cooperatives are the pathway to household and community resilience. This pillar helps communities, including farmer cooperatives, participate in local government decision-making that allocates resources and funding to their priorities and creates a more stable local environment.

A Success Story

Young people in Uganda are rethinking agriculture, prompted by NCBA CLUSA's USDA-funded Uganda Conservation Farming Initiative.

The trend comes after decades of rural to urban migration by youth, who, frustrated by outdated, time-consuming farming methods that produced low yields, abandoned agriculture. This left older generations largely responsible for production, jeopardizing the future of farming, agricultural development and food security in the country.

Kenneth Kiiza is part of this growing community of Ugandan youth giving agriculture a second chance by investing in new farming methods that reduce labor and double yields. His day begins at 6 a.m., when he wakes up and heads to his neighbor's house to rent a pair of oxen. From January to March (and again in July and August—Uganda has two growing seasons), Kiiza spends the daylight hours ripping—a minimum disturbance method of tilling introduced by NCBA CLUSA—and dreaming of the day he'll be able to afford his own bulls.

Kiiza completed NCBA CLUSA training as a Tiller Service Provider (TSP) in 2013. At age 21, he's the youngest TSP in Masindi, a district in west-central Uganda. He's now passing on the knowledge to several members

of his youth co-op, Kidwera II Youth Farmers Cooperative, where 24 out of 30 members are already practicing Conservation Farming.

Conservation Farming, or CF, helps restore fertility to soil depreciated during years of excessive plowing or chemical fertilization. The conservation farming principles of minimum soil disturbance, organic soil cover and crop rotation are helping Kiiza and other smallholder farmers generate better yields.

Before he adopted CF practices, Kiiza said he spent three to four days preparing one acre of land for planting by digging basins—a tedious, time-consuming process done with a traditional hoe. Now, it takes him three hours to rip and plant one acre, a service he offers to local smallholder farmers for USD\$3.64 (10,000 Ugandan shillings).

"It used to take so much time and energy to till," he said. "The work is still hectic, but now it is enjoyable." Not to mention rewarding. Using CF practices, Kiiza is harvesting 20 to 28 bags of maize per acre, where previously he would yield only seven to ten bags.

As neighboring farmers observe the benefits of CF, Kiiza said he has seen demand for ripping grow, especially among young people. "Most of the people I train are my age," he said.

Kiiza was also selected to receive additional training as a community-based service provider (CBSP) to help solve a persistent problem: weeds. The CF principle of organic crop cover advocates mulching to retain soil moisture and smother weeds, but for farmers who don't have a previous season's crop residue, mulching can be difficult, making the application

Kenneth Kiiza shows off his corn crop in Uganda, thanks in part to the support of the Uganda Conservation Farming Initiative.



of herbicide imperative to achieve optimum results.

Counterfeit herbicides plague smallholder farmers in Uganda, making Kiiza's services invaluable. He is able to distinguish fake from genuine herbicides and is trained in the proper mixing and application of herbicides.

Currently, Kiiza has 22 clients, each of whom he charges \$5.45 (15,000 shillings) to spray one acre with herbicide. Kiiza provides the water and offers technical advice on herbicide selection, while the farmer has the option to purchase the herbicide or pay extra for Kiiza to provide it.

When he first began, Kiiza said many farmers chose the cheapest herbicides and yielded predictably lackluster results. "They would ask me, 'What is the trick behind your demonstration garden?'" The question gave Kiiza an opportunity to explain the benefits of investing in higher quality herbicide.

"The herbicides are now working well, and farmers are seeing the good results," he said.

As CF gains traction in the region, Kiiza said he feels emboldened to expand his services and is able to save more money—a noteworthy statement in a country without a strong culture of savings. A decades-long insurgency by

Joseph Kony and the Lord's Resistance Army in Northern Uganda displaced more than 2 million people. The unstructured environment of refugee camp life produced a generation of young people who grew up without the benefit of a strong education, job experience or financial literacy.

Kiiza has currently saved \$290 (800,000 shillings). He diligently deposits his earnings into a savings account with Stanbic Bank, part of Standard Bank Group, Africa's leading banking and financial services organization. He needs to rip 50 more acres to be able to afford his own oxen. A pair of bulls capable of pulling a ripper costs between \$290 to \$327 (800,000 and 900,000 shillings), and Kiiza doesn't want to exhaust his savings.

To supplement his income from agriculture, Kiiza has undergone training to repair rippers and build oxen yokes for fellow TSPs and smallholder farmers. Eventually, he wants to open a full-time workshop where he'll manufacture and maintain rippers and other farming equipment, allowing him to meet growing demand for oxen and CF ripper points.

Kiiza is optimistic about the opportunities in agriculture for young people in Uganda. "The future is there. The only challenge is money. You need to own your own oxen, and they are expensive," Kiiza said. He understands the hard work and commitment it takes to find success, and knows that many

Ugandan young people are instead looking for quick money.

Still, his peers are observing his success and expressing interest. "Many young people join [Kidwera II] because they've realized that membership provides linkages to many opportunities they wouldn't otherwise have—especially access to financial institutions," Kiiza said.

And financial linkages are crucial for young farmers in Uganda. Like many of his peers, Kiiza is responsible for supporting his siblings. He provides for his two younger brothers and five younger sisters, and uses a portion of his earnings to cover their school fees.

He wants a good life for them, but more broadly, Kiiza hopes his efforts contribute to a better future for Uganda. "I want to continue to help others to build their income and gain food security," he said.

"It used to take so much time and energy to till. The work is still hectic, but now it is enjoyable."

— Kenneth Kiiza, a participant in NCBA CLUSA's USDA-funded Uganda Conservation Farming Initiative

AGRICULTURE DIVERSIFICATION AND COFFEE REHABILITATION

Currently in its start-up phase, the proceeds of this \$13 million, USDA-funded monetization project will fund the restoration of coffee crops and stabilize coffee production in El Salvador. NCBA CLUSA and its local partners will monetize 20,000 metric tons of winter wheat and 8,725 metric tons of soybean meal over four years to bolster the coffee value chain and expand the trade of agricultural products. El Salvador plays a significant role in regional coffee production, and was among the countries hardest-hit by coffee rust in Latin America, a coffee plant-killing disease that jeopardized the livelihoods of thousands of rural households who depend on coffee production. Coffee rust weakens coffee trees, compromising the quality of the next season's coffee berries and dramatically reducing yield, if not destroying the plant altogether. NCBA CLUSA will work with 7,500 producers and 50 producer organizations and cooperatives, along with government agencies and the private sector, during the project. As of the project's November 2014 launch in San Salvador, NCBA CLUSA is once again active in Latin America, a region it first entered in 1963.

Impact Statement

Total budget	\$12,915,940
Number of beneficiaries	7,500
Duration	Oct 2014 – Sept 2014

MILLET BUSINESS SERVICES PROJECT

Once considered a subsistence crop, millet is now the key to higher crop yields and rising profits for thousands of smallholder farmers in Senegal. The agricultural productivity and food security training implemented by this \$9.6 million USDA-funded project will strengthen the commercial viability of millet in the Kaolack, Kaffrine and Fatick regions of Senegal. Beneficiaries will receive training in improved agricultural production techniques, post-harvest handling, storage and improved marketing and branding strategies. The project will also work to build relationships between buyers and sellers. The Millet Business Services Project follows up NCBA CLUSA's previous project in the region, Enhanced Food Security for Senegal, which ended in March 2014 and helped 13,000 smallholder farmers adopt new agriculture techniques.

Impact Statement

Total budget	\$9,579,255
Number of beneficiaries	30,000
Duration	Oct 2014 – Sept 2017
Jobs created	600
Number of acres under improved agriculture techniques/ technologies	104,000
Value of millet sales	\$12.5 million

"This harvest has allowed me to pay off my credit and cover the food needs of my family for four months."

—Modou Gueye, farmer

COOPERATIVE WATER AND SANITATION FOR HEALTH (COOPWASH)

This \$750,000 grant from the Starbucks Foundation will support coffee farmer livelihoods by providing clean, abundant and accessible water to 25,000 people in 90 Arabica coffee-producing villages in Sumatra, Indonesia. The three-year project will install gravity-fed and deep-well water systems that will create new sources of water for 80 percent of community members and reduce the workload of women and girls—who often collect and carry water long distances—by 75 percent. NCBA CLUSA and its local partners have already completed six of these community water systems. CoopWASH will significantly increase the amount of household water available for drinking, cooking, hand- and dishwashing, sanitation and coffee pulping. The project will also provide health clinics and schools in the region with clean, plentiful water sources.

Impact Statement

Total budget	\$750,000
Number of beneficiaries	25,000
Community water systems built and maintained	90
Percentage of community with access to new water source	80
Duration	Oct 2014 – Oct 2017

PURDUE IMPROVED CROP STORAGE (PICS)

Through a partnership with Purdue University, NCBA CLUSA is distributing PICS bags to smallholder farmers in remote areas of Uganda using community networks established by the Uganda Conservation Farming Initiative. The storage bags were developed by Purdue University through a Bill and Melinda Gates Foundation-funded project to prevent crop spoilage. Comprised of three layers of plastic, each PICS bag is designed to keep out moisture and pests while crops are stored. During its first year of implementation, more than 20,000 farmers—half of whom are women—attended 305 PICS bag demonstrations in the districts of Apac, Kiryandongo and Dokolo.

Impact Statement

Total budget	\$74,175
Impact	20,819 farmers
Duration	June 2014 – May 2018

Mid-cycle Phase

YAAJEENDE FOOD SECURITY AND NUTRITION PROJECT

A five-year, \$40 million, USAID-funded project targeting the Matam, Kédougou, Bakel and Kolda regions of Senegal, Yaaajeende is reducing malnutrition by promoting access to nutrient-dense foods. A local social marketing campaign called Mangez Orange ("Eat Orange") raises awareness of the importance of Vitamin A and how eating orange-colored foods such as orange-flesh sweet potatoes, carrots, mangoes and papaya can help children avoid deficiencies. Yaaajeende has reduced by 25 percent acute malnutrition in children under five, while 80 percent of target households have increased their dietary diversity score. The project drew the attention of U.S. senators during a 2014 trip to Africa to review American agriculture and aid investments in the region, with a focus on women's economic empowerment. Yaaajeende bolsters women's resiliency to economic and climate-induced food insecurity, creates and leverages dynamic local markets to increase agricultural productivity and enlists international and national researchers and institutions to test and introduce bio-fortified foods specifically bred to maximize nutritional content. Yaaajeende is a flagship implementer of nutrition-led agriculture.

Impact Statement

Total budget	\$39,999,066
Number of beneficiaries	1 million
Number of households	50,000
Duration	Nov 2010 – Sept 2015

"Women previously marginalized and vulnerable, like those in my group, have now become productive farmers."

— member of Daharatou Women's Group, Bakel, Senegal

FARMER TO FARMER (SENEGAL)

NCBA CLUSA's USAID-funded Farmer to Farmer program links American agribusiness professionals with farmers and farmer cooperatives in Senegal who request technical assistance, and offers NCBA CLUSA members and supporters with agribusiness experience an opportunity to share their knowledge. The \$1.6 million project runs through 2018 and promotes sustainable economic growth and agricultural development. Recommendations from Farmer to Farmer volunteers are helping smallholder farmers improve crop yields, access new markets and conserve environmental and natural resources. In 2014, agriculture development professional and soil scientists Chris D'Aiuto volunteered to empower the lives of smallholder farmers and gain a deeper understanding of the realities of life in rural northeast Senegal. D'Aiuto's demonstrations and training sessions covered the three principles of conservation farming—minimum soil disturbance, organic soil cover and crop rotation.

Impact Statement

Total budget	\$1,661,421
Number of volunteers	115
Duration	Sept 2013 – July 2018

"[Farmer to Farmer] equips farmers with the knowledge and skills they want, ask for and need to become better producers, and I find that to be the most transformational type of development work."

— Chris D'Aiuto, Farmer to Farmer volunteer

RESILIENCE AND ECONOMIC GROWTH IN SAHEL – ENHANCED RESILIENCE (REGIS-ER)

This five-year, \$70 million project implemented in Niger and Burkina Faso addresses the root causes of chronic vulnerability in the Sahel region of Northern Africa while promoting economic resilience. REGIS-ER is empowering local communities with the tools and knowledge necessary to adapt to climate change, withstand food crises and improve nutrition, especially among children under five. The project is expected to impact 2 million beneficiaries by curbing the prevalence of poverty and severe hunger among vulnerable, low-income households. During an August 2014 visit with beneficiaries cultivating Moringa in home gardens, representatives from the U.S. Senate said they were pleased by progress made against benchmarks. Moringa is easy to grow and its leaves and seeds are nutrient-dense, making it an ideal crop to supplement both diets and incomes. The plants were producing edible leaves just six months after planting.

Impact Statement

Total budget	\$70,039,011
Number of beneficiaries	1.75 million
Number of farmers applying new agricultural practices	15,018
Duration	Nov 2013 – Nov 2018

“It’s truly incredibly to see how much easier and more efficient agriculture becomes with the application of [conservation] farming techniques.”

—Michael Phelan, senior policy advisor, U.S. Senate Committee on Foreign Relations

EAST TIMOR MONETIZATION PROJECT

The underdeveloped, remote districts of central and eastern Timor Leste are the target of this USDA-funded \$6.2 million project providing income opportunities for rural households. NCBA CLUSA and its local partner Cooperative Café Timor are introducing commercial varieties of clove, cocoa, cassava, coffee, black pepper, vanilla and moringa to 8,000 farmers, with an emphasis on recruiting and involving women farmers. Seedling production began in 2014; distribution and farmer training is currently underway. Capacity-building for farmers and local agribusinesses is a priority of the project—training will underpin improved farming techniques, seedling production, post-harvest handling and organic/free trade certification. A group of 10 women farmers is already seeing the benefit of a nutrient-dense, pest- and disease-resistant variety of cassava. The \$1,560 they earned from their five-acre plot is covering their children’s tuition costs. With consistent yields, the women are optimistic about sending their children to high school and even university in the coming years.

Impact Statement

Total budget	\$6,182,014
Number of beneficiaries	8,000 farmers
Value of agricultural and rural loans	\$175,951
Duration	Aug 2013 – Aug 2017

COOPERATIVE PARTNERSHIP FOR HIGH-VALUE SMALL FARMER EDUCATION, VALUE-ADDED PROCESSING AND MARKETING

NCBA CLUSA and the Indonesia Cooperative Business Development Alliance (ICBDA) are building new value chains for cassava, black pepper and vanilla in underdeveloped regions of West Timor, South Sulawesi and the northern coast of Papua, Indonesia's largest province. The black pepper and vanilla value chains established by this project are linking smallholder farmers to McCormick, a spice company dedicated to transparent, ethical sourcing. ICBDA has already trained 6,894 farmers—exceeding the total project target of 5,550 farmers—in seedling production and crop processing and marketing. Exports of vanilla and black pepper from project-supported farmers to markets in the U.S. and Europe began a year ahead of schedule, with close to 400 metric tons valued at \$4 million exported in 2014.

Impact Statement

Total budget	\$2,000,000
Number of beneficiaries	6,894 farmers
Metric tons of black pepper exported in 2014	400
Duration	July 2013 – Aug 2017

CONSERVATION AGRICULTURE PROGRAM FOR SMALLHOLDER AND EMERGING FARMERS IN MOZAMBIQUE (PROMAC)

Funded by the Norwegian Government, this \$14.4 million project will help reverse endemic food insecurity in Mozambique by encouraging the adoption of conservation farming techniques proven to boost yields, profits and soil fertility. By practicing minimum soil disturbance, organic soil cover and crop rotation, farmers increased their crop yields by between 40 and 50 percent in 2014, while ensuring sustainability through private-sector partnerships. As of 2014, 20,924 of the projected 36,000 farmers had undergone training. PROMAC's integrated approach also provides basic literacy and numeracy training and supports land registration. Most land in sub-Saharan Africa is not registered, and often no record of who owns it or has rights to use it exists. Land registration improves farmer access to credit and creates an incentive for investment in land improvement, soil conservation and new technology. To date, PROMAC has helped 1,058 farm families secure property rights.

Impact Statement

Total budget	\$14,400,000
Number of farmers trained	36,000
Number of lead farmers mobilized	1,200
Percentage of women lead farmers	43 percent
Duration	Nov 2012 – Oct 2017

COOPERATIVE DEVELOPMENT PROGRAM III

This \$7.3 million, USAID-funded project addresses the three stages of cooperative development: building, formalizing and expanding. Launched in 2010, the project promotes cooperative development, collaborative partnerships and economic growth. It supports food security and cooperative development in Kenya, nutrition-led agriculture in Guatemala, advocacy in Mozambique and cooperative trade in Latin America. In Kenya's Maasai region, the project has tripled maize yields for farmers in Mbeere and Narok. In 2014, 1,175 farmers adopted conservation farming techniques and target communities doubled the number of food-secure months per year—from less than a month to two months.

Impact Statement

Total budget	\$7,258,647
Number of beneficiaries	150,000
Number of farmers practicing conservation farming	14,440
Duration	Aug 2010 – Aug 2018

COOPERATIVE DEVELOPMENT PROGRAM IV

This \$650,000 multi-country project facilitates development and expands economic assistance through cooperatives and credit unions in Haiti, Indonesia and Latin America. An estimated 40 percent of Haiti's population has no access to basic health services. CDP IV's Health and Economic Livelihoods Partnership is addressing this and other developmental challenges facing Haiti. In pilot programs in Indonesia and Latin America, CDP IV is creating more jobs, higher incomes, greater food security and sustainable economic growth.

Impact Statement

Total budget	\$649,027
Duration	March 2013 – March 2016

End Phase

CONSOLIDATING COOPERATIVE AGRIBUSINESS RECOVERY (COCAR)

Launched in 2010 in close cooperation with East Timor's farmer-owned Coopertiva Café Timor (CCT), this US-AID-funded \$10.2 million project has strengthened and diversified the Southeast Asian country's agricultural economy. The rehabilitation of thousands of coffee farms begun under COCAR has the potential to double coffee exports and farmer incomes over the next decade. Already, the project has overseen the planting of 3.7 million coffee seedlings and rehabilitated 12,283 coffee farms. The project also introduced value chains for spices, cocoa and other commodities in high demand globally. In 1994, NCBA CLUSA helped establish CCT with funding from USAID. The cooperative—now 22,000 members strong—is East Timor's leading private-sector employer and the world's largest single-origin supplier of certified organic coffee. Funds from COCAR helped support CCT's health clinics, which provide basic health services to remote farming communities outside the Ministry of Health's coverage area. The healthcare system has immunized 16,000 children under five and, in 2014, served its 2 millionth patient.

Impact Statement

Total budget	\$10,200,000
Beneficiaries	12,265 coffee farmers
Coffee farms rehabilitated	12,283
Coffee seedlings planted	3.7 million
Duration	Oct 2010 – Sept 2014

UGANDA CONSERVATION FARMING INITIATIVE (UCFI)

Now in its final months, this \$8.4 million USDA-funded project has generated substantial economic gains for more than 55,000 smallholder farmers in northern Uganda, while restoring soil fertility and environmental health through conservation farming. The project's approach integrates tiller service providers, tool manufacturers, input suppliers and their agents and other value chain actors to move smallholder farmers from subsistence to commercial viability. The project is also connecting with young people in Uganda. Kenneth Kiiza is part of a growing community of Ugandan youth giving agriculture a second chance by investing in new farming methods that reduce labor and double yields. Using conservation farming practices, Kiiza is now harvesting more than 20 bags of maize per acre, where he previously yielded only seven to ten bags.

Impact Statement

Total budget	\$8,400,000
Farmers trained in conservation farming	55,976
Increase in crop yields	47 percent
Acres under conservation farming practices	21,234
Duration	Oct 2011 – June 2015

ZIMBABWE AGRICULTURAL INCOME AND EMPLOYMENT DEVELOPMENT (ZIM-AIED)

Benefiting banana farmers in Zimbabwe, this \$1.7 million USAID-funded project is commercializing smallholder agriculture by connecting farmers and businesses to reliable and lucrative markets, providing improved access to credit and finance and introducing new technologies and crop varieties to maximize yields and incomes. Under Zim-AID, banana farmers in Zimbabwe's Honde Valley have increased their yields from 4 to 40 tons per 2.5 acres—a 900 percent increase. Banana farmers are now earning \$3,500 per year, up from \$600 before project interventions. With its theme, "Farming as a Family Business," Zim-AID provides basic business skills—such as budgeting, contract management, credit control, record-keeping, risk management and marketing principles—coupled with training in crop rotation, mulching, herbicide use and proper fertilizer application. Zim-AID also addresses gender disparities by setting quotas for women in leadership positions and jointly training couples.

Impact Statement

Total budget	\$1,754,761
Percent increase in banana yields	900 percent
Sales value of bananas	\$1.1 million
Total beneficiaries	50,000 smallholder farmers
Duration	May 2011 – June 2015

YES YOUTH CAN!

Funded by USAID, Yes Youth Can! helps at-risk young people create economic opportunities, contribute to their communities and become responsible members of society. Young people aged 18 – 35 organize themselves into youth-owned, youth-led and youth-managed bungenes ("parliaments"). These democratic youth groups elect leadership, register with the Kenyan government, open accounts at Savings and Credit Cooperatives (SACCOs) and participate in national outreach activities. Bungenes are serving as a powerful counterweight to widespread apathy, unemployment and post-election violence in Kenya, all while grooming the country's next generation of leaders. The project also supports the "My ID, My Life" campaign by helping 2,218 young people obtain their National Identification Cards—a prerequisite to voter registration in Kenya. Yes Youth Can! has improved the visibility and voice of young people in Nairobi and Kenya's Coast region.

Impact Statement

Total budget	\$9,045,385
SACCO members	4,858
Young people who obtained national ID cards	2,218
Duration	Feb 2011 – July 2015

STRENGTHENING COMMUNITIES THROUGH INTEGRATED PROGRAMMING (SCIP)

Targeting communities in 14 districts of Mozambique's Nampula Province, this USAID-funded, \$3.4 million project is improving quality of life and growing household economic viability in the region through conservation farming and youth engagement. NCBA CLUSA has already established SCIP's program target of 830 Youth Farmer Clubs. Of a membership of 27,916, close to half are women and 26 percent are orphans and other vulnerable young people. Youth Farmer Clubs brainstorm ways to overcome health, nutrition and economic challenges in their communities, and are mentored by existing community structures that support youth development and organization.

Impact Statement

Total budget	\$3,474,627
Youth Farmer Clubs established	830
Community members trained in conservation farming	36,652
Community members trained in safe food handling and storage	29,797
Duration	July 2009 – Aug 2015

"I feel that I am contributing to the development of my community, even though my family did not have this privilege. I am very grateful to have this opportunity."

—Amade Selemane, Youth Farmer Club leader

NAMIBIA CONSERVATION AGRICULTURE PROJECT (NCAP)

This \$2 million USAID-funded project is teaching more than 10,000 farmers how to maximize rainwater retention, protect soil fertility and increase crop productivity through Namibia-specific conservation farming techniques. By digging deeper furrows, farmers are able to break up the hardpan so soil and roots can absorb the moisture, avoiding runoff. Farmers are now harvesting 3,680 pounds of millet per 2.5 acres, compared to 660 pounds prior to project interventions. The conservation farming and early planting techniques recommended by NCAP also helped farmers in Namibia not only withstand, but thrive during a national drought emergency in 2013. The overall goal of the project is to mitigate the impact of drought and flood events in the region.

Impact Statement

Total budget	\$2,154,488
Farmers trained in Namibia-specific conservation farming	10,800
Duration	Sep 2012 – Sep 2015

"As a result of conservation farming, we had the best yield we have ever had. Now the interest among other farmers is growing rapidly and the demand for conservation tillage land preparation services is very high."

—Olivia and John Shimpanda, lead farmers

RESILIENCE AGRICULTURE INTERVENTIONS IN NAMIBIA (RAIN)

This \$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 practices that increase resiliency, food security and nutrition. Impoverished, vulnerable women largely head household food production in the target regions, and RAIN will focus on empowering these women as lead farmers in their communities. The project will also introduce Namibia-specific conservation farming methods and offer training in draft animal power services.

Impact Statement

Total budget	\$944,648
Number of beneficiaries	15,000
Duration	Sep 2013 – April 2015

FARMER TO FARMER (EL SALVADOR)

This \$100,000 USAID-funded project paired agribusiness professionals in the U.S. with six local cooperatives in El Salvador, benefitting a total of 440 farm families. Volunteer assignments during this project included the marketing and processing of dehydrated fruits and cashew nuts, plant and soil nutrition, best practices for export of organic vegetables, cashew tree improvement and cooperative governance. NCBA CLUSA's USAID-funded Farmer to Farmer program links American agribusiness professionals with farmers and farmer cooperatives worldwide who request technical assistance, and offers NCBA CLUSA members and supporters with agribusiness experience an opportunity to share their knowledge.

Impact Statement

Total budget	\$99,912
Number of farm families benefited	440
Number of volunteers	5
Duration	April 2014 – April 2015

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. 2014 saw the launch of CDRRC's "Spreading Cooperative Genius" project with a conference on enhancing development through cooperative agribusiness in Addis Ababa, Ethiopia. Also during 2014, the CDRRC team leader attended the International Summit of Cooperatives in Quebec City to connect with potential partners and collaborators. 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.

Impact Statement

Total budget	\$1,388,294
Duration	June 2013 – June 2015

APHIA PLUS

This \$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 of in and around Mombasa, Kenya. Through Community Health Units, the project is able to reach families with immunizations, sanitation and hygiene training and other critical health information. Each Community Health Unit, staffed by 50 Community Health Workers, serves an average of 1,000 households with an estimated population of 5,000 people. During monthly visit to their target households, health workers offer advice on simple health concerns and refer more complicated issues to the nearest health facility. Through APHIA Plus, NCBA CLUSA has significantly reduced diarrhea and malaria cases in target communities by establishing thousands of hand-washing facilities and functioning latrines. Also contributing to the reduction in malaria are the 124,382 households now sleeping under insecticide-treated mosquito nets, thanks to project interventions and education.

Impact Statement

Total budget	\$3,595,568
Total beneficiaries	578,829
Number of households sleeping under insecticide-treated nets	124,382
Number of households with hand-washing facilities	74,402
Number of households with functioning latrines	91,737
Duration	Jan 2011 – April 2015

CONSOLIDATING COOPERATIVE AGRIBUSINESS RECOVERY (COCAR)

Launched in 2010 in close cooperation with East Timor's farmer-owned Coopertiva Café Timor (CCT), this US-AID-funded \$10.2 million project has strengthened and diversified the Southeast Asian country's agricultural economy. The rehabilitation of thousands of coffee farms begun under COCAR has the potential to double coffee exports and farmer incomes over the next decade. Already, the project has overseen the planting of 3.7 million coffee seedlings and rehabilitated 12,283 coffee farms. The project also introduced value chains for spices, cocoa and other commodities in high demand globally. In 1994, NCBA CLUSA helped establish CCT with funding from USAID. The cooperative—now 22,000 members strong—is East Timor's leading private-sector employer and the world's largest single-origin supplier of certified organic coffee. Funds from COCAR helped support CCT's health clinics, which provide basic health services to remote farming communities outside the Ministry of Health's coverage area. The healthcare system has immunized 16,000 children under five and, in 2014, served its 2 millionth patient.

Impact Statement

Total budget	\$10,200,000
Beneficiaries	12,265 coffee farmers
Coffee farms rehabilitated	12,283
Coffee seedlings planted	3.7 million
Duration	Oct 2010 – Sept 2014

Impact Statement



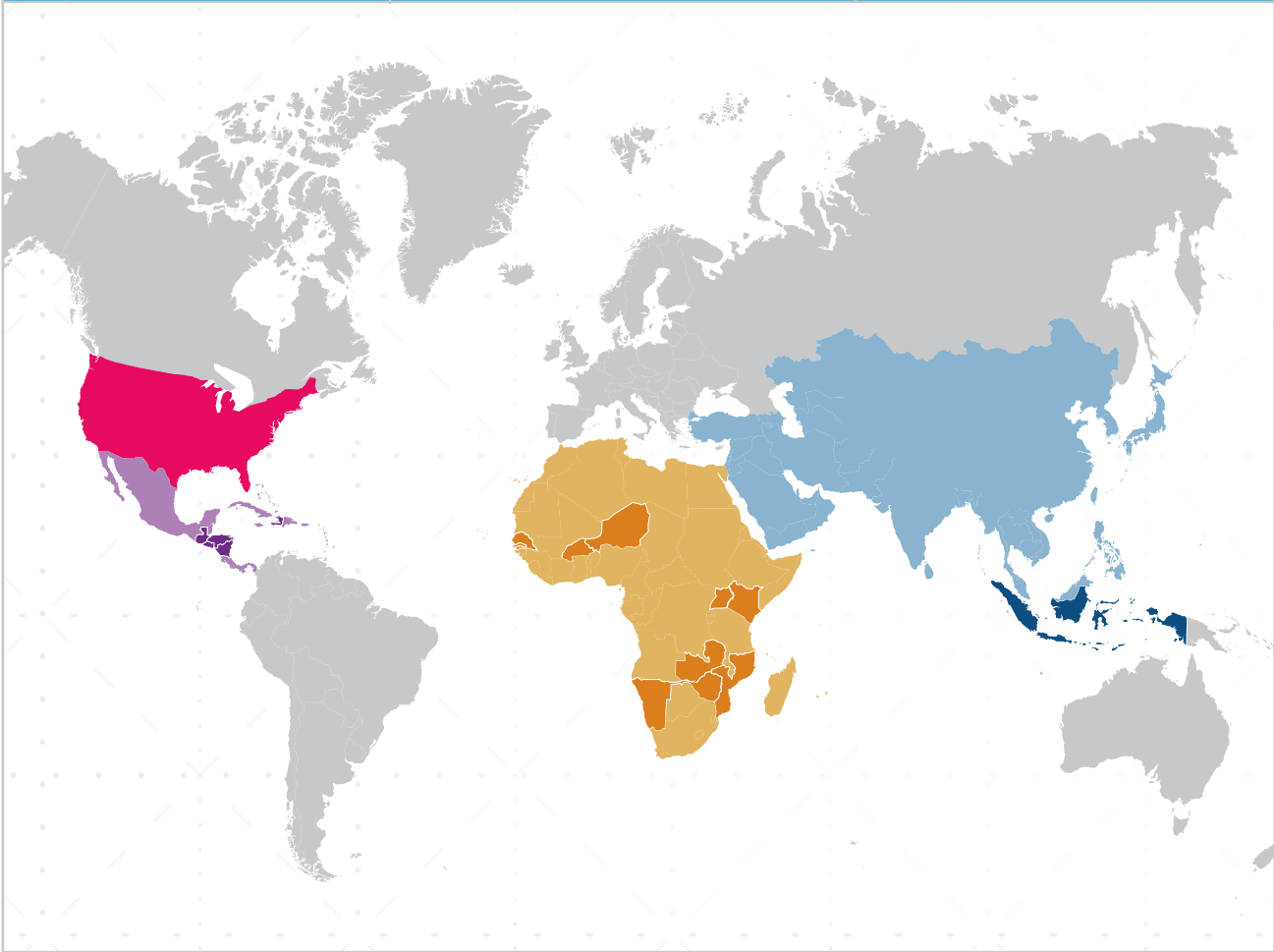
Total Portfolio Budget
\$206 Million (USD)

Total Lives Impacted
20+ Million

Projects
22

Countries
16

Continents
4



Smallholder Farmers
Impacted

4 Million



Acres under improved
agriculture practice

530,000



Coffee farmers benefiting

45,000

Coffee farms rehabilitated

12,283

Sales value of
project products

\$18 Million
(USD)



Community water systems

90

Hand-washing facilities

74,402

Latrines

91,737

Total
Farmer to Farmer
Volunteers

118

Donors and Partners

UNITED STATES GOVERNMENT DONORS:

United States Agency for International Development (USAID)
United States Department of Agriculture (USDA)

INSTITUTIONAL PARTNERS

Cooperative Development Foundation (CDF)
InterAction
International Cooperative Alliance (ICA)
ICA – Americas
Overseas Cooperative Development Council (OCDC)
Society for International Development (SID)
US Global Leadership Campaign (USGLC)
Volunteers for Economic Growth Alliance (VEGA)
Partnership to Cut Hunger and Poverty in Africa

MEMORANDUMS OF UNDERSTANDING (MOUS)

Government of Kenya's Ministry of Industrialization and Enterprise Development
Texas A&M AgriLife Research

FOREIGN GOVERNMENT FUNDING:

Government of Norway/Royal Norwegian Embassy in Maputo, Mozambique

FOUNDATIONS:

Bill and Melinda Gates Foundation
MasterCard® Foundation
Starbucks® Foundation

INTERNATIONAL NGO/PRIVATE SECTOR PARTNERS:

HealthPartners
World Council of Credit Unions (WOCCU)
We Effect (formerly the Swedish Cooperative Center)
The Royal Norwegian Society for Development (Norges Vel)
Brazilian Cooperative Organization
The German Cooperative and Raiffeisen Confederation (DGRV)
Starbucks®
Green Mountain Coffee®

Frontier® Spice
McCormick®
Cooperative Business International (CBI)
Red Cross (Niger and Burkina Faso)
University Research Company, LLC
Dimagi
Sheladia Associates
Fintrac
ACDI/VOCA
Counterpart International
Heifer Project International
Pachamama Coffee Cooperative
Pathfinder International
Populations Services International (PSI)
World Relief
CARE
Purdue University
Michigan State University
International Fertilizer Development Center
National Food Security Program funded by the United Nations Food and Agriculture Organization (PNISA/UNFAO)
digitalGREEN
Strengthening Partnerships, Results, and Innovations in Nutrition Globally (SPRING)
Tillers International
International Institute of Tropical Agriculture (IITA)
The International Potato Institute
Catholic Relief Services (CRS)

LOCAL NGO/PRIVATE SECTOR PARTNERS

CLUSA El Salvador
Mozambican Association to Promote the Modern Cooperative (AMPCM)
Ayago-Agro Industries (Mukwano)
National Agriculture Research Organization
Baitul Qiradh Baburayyan (KBQB) Cooperative
Sumatra Specialty Coffee
KJUB Puspeta Luwu
Pusat KUD NTT
Koperasi Serba Usaha Nimoran Kencana

PT. AgriSpice Indonesia
 PT Cooperative Business International Indonesia
 Cooperativa Café Timor
 Association for Revitalization of Livestock in Niger (AREN)
 Association Nodde Nooto (A2N)
 Action for the Promotion of Rural Organizations (APOR)
 Action for the Vitalization and Strengthening
 of Community Organizations (ADROC)
 Water and Sanitation for Africa (WSA)
 Mwangaza Action
 Rural Credit Intermediary Service Kokari (SICR Kokari)
 International Organization for Migration (OIM)
 Senegalese Institute for Agricultural Research (ISRA)
 Participatory Approaches for Integrated Development (PAFID)
 Creative Entrepreneurs Solutions
 Namibia National Farmers Union
 European Cooperative for Rural Development (EUCORD)
 Kenya Agricultural Research Institute (KARI)
 East African Brewery Limited
 Kenya Seed
 Dryland Seed Company
 Pioneer Seed
 Small Irrigation Scheme Development Organization (SISDO)
 Equity Bank
 Kilimo Salama
 Action Aid
 Food Technology Institute (ITA)
 Credit and Savings Union (MEC)
 Credit and Savings Union APROFES Téranga (MECAT)
 Partnership for Mobilization of savings and
 Credit in Senegal (PAMECAS)
 Association of Savings and Credit Unions (UHMCEC)
 National Interprofessional Seed Union (UNIS)
 The Agro-Chemical Manufacturing
 Company of Senegal (SENCHIM)
 Association of Sahelian Agribusinesses
 and Distributors (SEBAB)
 National Agricultural and Rural Advisory Agency (ANCAR)
 Savings and Loan Association (APEC)
 Regional Development Agency
 (intergovernmental unit of GOS)
 Support to Local Development Center (CADL)
 Credit Mutual of Senegal (CMS)

National Agricultural Insurance Company (CNAAS)
 Regional Rural Development Directorate (DRDR)
 National School for Training in Domestic
 and Social Economy (ENFEFES)
 Fouta Development Association Federation (FAFD)
 Phoenix Seeds
 Oruweru Seed Company
 Terra Amiga
 Instituto Superior Politécnico de Manica
 Instituto Agrário de Gurue
 Missão Fonte Boa de Angónia
 Instituto de Investigação Agrária de Moçambique (IIAM)
 Banco de Oportunidade
 National Seed Service of Mozambique
 OPHAVELA
 FUNCAFE
 Secretariat for Food Security and Nutritional Security (SESAN)
 Nalweyo Seed Company (NASECO)
 Balton (U) Ltd
 Fenix International
 Luuka Plastics
 Tonnet Agro Engineering Company

GOVERNMENT PARTNERS:

Kenya's Ministry of Health
 Kenya's Ministry of Agriculture
 Uganda's Ministry of Agriculture
 Mozambique's Ministry of Health
 Ministry of Agriculture Mozambique
 Ministry of Youth and Sports Mozambique
 Ministry of Commerce Mozambique
 Ministry of Women and Social action Mozambique
 Ministry of Land, Environment and Rural
 Development Mozambique
 East Timor's Ministry of Agriculture
 Ministry Of Agriculture, Livestock And Food-Guatemala
 Ministry Of Public Health And Social Welfare-Guatemala

NEW DONORS IN 2014:

MasterCard® Foundation
 Starbucks® Foundation

The year 2014 focused on strengthening the financial and operating platform and implementing best practices at our global offices. The financial results reflect the impact of this focus with an operating net income of \$586,890 achieved. This profit was achieved through cost containment and valuation results through our investment portfolio. The unrestricted cash resources have generated liquidity to support future mission driven special initiatives. The increased emphasis on financial and compliance oversight, resulted in a clean and unmodified audit opinion. With the new regulatory Uniform Guidance relating to federal government awards implementation, our focus will continue to be directed to capacity building and successful readiness to ensure attention is now being placed on the ability of NCBA CLUSA to continue uninterrupted operations should future similar challenges occur.

AUDIT COMMITTEE REPORT

The year 2014 again proved challenging as NCBA CLUSA went through further leadership transition and completion of the Senior Leadership Team, and finalized upgrades to the accounting system. However, the financial management structure remained effective and the annual fiscal audit reflects continued improvements in NCBA CLUSA's control environment and operations. There were no material findings reported and no significant deficiencies were noted during the 2014 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 provide 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

OUR FOCUS WILL BE
CAPACITY
BUILDING
AND SUCCESSFUL
READINESS
...TO CONTINUE
UNINTERRUPTED OPERATIONS.



Audited Financial Statements

2014

REVENUES

Membership Dues	\$763,351.00
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Grants and Contracts	\$36,763,750.00
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Registrations	\$69,450.00
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Contributions	
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Publication & Other	\$115,275.00
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Interest	\$21,217.00
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Net Assets Released from Restriction	\$93,584.00
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Gain on Investment	\$508,149.00
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Total Revenue	\$38,334,776.00
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EXPENSES

Federal Awards	\$25,968,853.00
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Non-Federal Awards	\$3,278,527.00
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Public Affairs & Membership Services	\$741,738.00
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Partner Services	\$213,239.00
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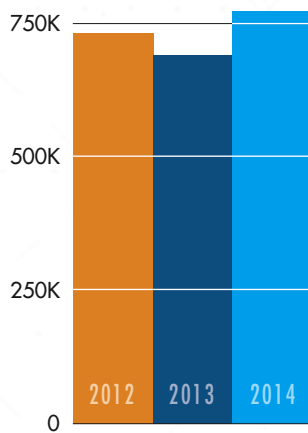
Supporting Service	\$7,545,529.00
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Total Expenses	\$37,747,886.00
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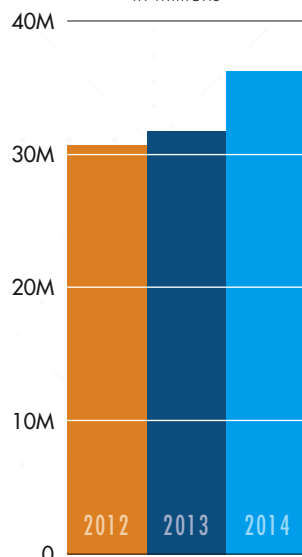
Net Income

\$586,890.00

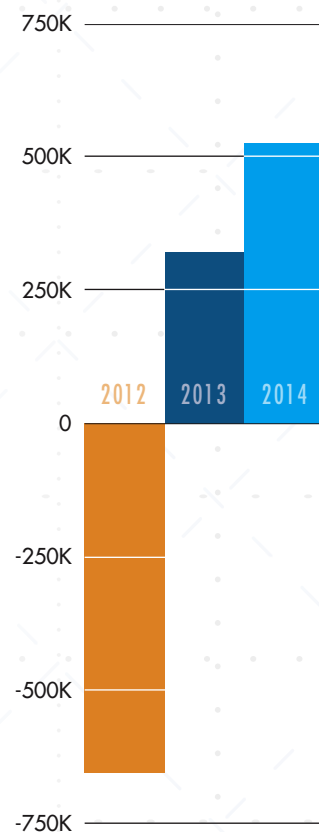
Membership Dues
in thousands



Grants and Contracts
in millions



Net Income
in thousands



RESERVES

Unrestricted (Jan)	\$2,124,879.00
Unrestricted (Dec)	\$2,711,769.00
Temporarily Restricted (Jan)	\$15,255,677.00
Temporarily Restricted (Dec)	\$15,336,262.00

DOTCOOP

Revenues	\$504,331.00
Expenses	\$354,091.00

Net Income **\$150,240.00**

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CROPP Cooperative/Organic Valley
LaFarge, Wisconsin

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& President
CHS Foundation
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Madison, Wisconsin

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Philadelphia, Pennsylvania

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