



MACC

“Valuing” your Cooperative

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**Cooperative Elevator Co.**

# Cooperative Elevator Co.

- \$293 million sales
- \$210 million assets
- 11 locations
- Edible beans, grain, farm supply
- 150 full time employees
- 1,161 common stockholders



# Roadmap

- Generational value – Past, Present and Future
- Functional value – Are we giving them what they want and/or need?
- Sustainable value – Passing on the torch



# Generational value

- 39 - average age of a farmer in 1945
- 45 - average age of a farmer in 1974
- 57 - average age of a farmer in 2012
- 40- percent of farmers today over the age of 55
- How do we address the changing demographics?
- Do younger farmers feel they need to have any “skin in the game?”



Functional value  
All about balance and distribution  
(just don't make any left turns)



# Functional value

- Are we giving them what they want/need?
- Three pronged approach:
  - Cash value
  - Other hard asset value
  - Soft asset value



# Functional value

- Cash is king!

- Patronage redemption policies
- Working capital effect
- Profitability
- Debt
- Basis levels and prices
- Promotion and marketing
- Education



# Functional value

- Property, plant and equipment
  - Process, justification, payback
  - Internal growth
  - New opportunities for acquisition or expansion
  - Working capital effect
  - Profitability
  - Debt load





# Functional value

- Employees and services
  - Hiring practices
  - Training and education
  - Goals and merit pay
  - Certifications
  - New markets



# Sustainable value

- Issues on the horizon
  - Changing consumer attitudes/preferences
  - Changing weather patterns
  - Political issues
  - Social-economic issues
  - Etc., etc. etc.
- Passing on the torch
  - Succession planning
  - Communication



Thank you

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