

Task 1.3 Buying and Selling

Purpose

Have you ever purchased an item thinking, “I should be able to get a lower price”? Or sold something knowing if you were able to connect with a broader market, you could get a higher price? People who face these situations may consider joining or starting a cooperative.

Cooperatives increase a user’s ability to sell or buy products and services in a competitive market. Member-owners of marketing cooperatives work together to market and sell products they produce. Many farmers and ranchers join cooperatives to market their crops and livestock. Purchasing cooperatives provide ag producers inputs, such as chemicals, fertilizer, and seed. Another purchasing cooperative is a grocery store where members work together to get lower prices. Service cooperatives provide needed services to its members. Utility services include communications, electricity, and water services. Many rural areas formed utility service cooperatives to access affordable utilities. Financial cooperatives provide banking services, including loans, insurance, investment, and financing to its members. Farmers receive production advice and services from ag service coops.

What cooperative structure will you use to solve a buying or selling problem?

Materials

Per student:

- Pencil

Procedure

Identify businesses as one of the three cooperative structures. Then work with your group to explain how you would develop a cooperative for a buying and selling situation.

Part One – Coop Identification

Review your notes recorded for each cooperative on *Task 1.2 Student Worksheet*. Then identify each cooperative as a marketing, purchasing, or service cooperative. Record the cooperative structure on *Task 1.3 Student Worksheet*.

Part Two – Coop Planning

For each scenario below, determine what cooperative structure you could form to solve the problem. Then work with your group to decide how the cooperative would follow the seven principles. On the student worksheet, record the name of your cooperative, cooperative structure, and actions your cooperative will take to support each principle.

Scenario One – Candy Coop

Candy bars at your school are available for \$1.00. Your group believes the price is too high after seeing boxes of 50 sold at a warehouse store for \$25.00 per box, which is \$0.50 per bar. Your group would like to purchase boxes of candy bars to save money, but none of you have \$25.00 to spend. Each of you has \$10.00 available.

Part Two – Vegetable Market

You have a small garden at home with excess produce that goes to waste. You would like to sell the remaining produce by setting up a local vegetable stand but do not have enough vegetables to attract

enough customers. After discussing with friends in your neighborhood, you discover that many of your friends are in similar situations and would like to sell their excess produce.

Conclusion

1. What are the characteristics of a marketing cooperative?
2. How are service and purchasing cooperatives similar?

Name _____



Task 1.3 Student Worksheet

Table 1. Coop Identification

Cooperative	Structure
CHS	
Dairy Farmers of America	
Sunkist Growers Inc.	
Touchstone Energy Cooperative	
4th Street Food Cooperative	
National Telecommunications Cooperative	
Farm Credit Union	

Table 2. Candy Coop

Coop Name: _____	Coop Structure: _____
Principle	Action
Voluntary and open membership	
Democratic member control	
Member economic participation	
Autonomy and Independence	
Education, Training, and Information	
Cooperation among cooperatives	
Concern for community	

Table 3. Vegetable Market

Coop Name: _____	Coop Structure: _____
Principle	Action
Voluntary and open membership	
Democratic member control	
Member economic participation	
Autonomy and Independence	
Education, Training, and Information	
Cooperation among cooperatives	
Concern for community	