

A closer look at the changes to Wisconsin's cooperative laws

If you are a member of a cooperative in Wisconsin, you need to be aware of new statutes that significantly change our state's cooperative organizing laws – and your rights – as a co-op member.

The recently passed Senate Bill 281/Assembly Bill 353 now permit co-ops to make certain changes to their bylaws that were originally prohibited under state law. These changes only apply if the co-op votes to adopt them.

If you are a member of **any cooperative in Wisconsin:**

- Up to 20% of your cooperative's board seats could be turned over to non-members, including outside investors.
- All co-op members lose the right to review cooperative records that are more than 5 years old.
- Your co-op could vote to give greater than 8% returns to capital investors.

In addition to these changes, if you are a member of the cooperative holding company **Cooperative Resources International (CRI), or its member co-ops Genex or AgSource:**

- Your co-op could choose to base voting power on patronage, rather than the time-honored principle of **1 member, 1 vote**. If this change is adopted, *average-sized farms would see their voting power in the co-op significantly diminished compared to the co-op's very largest farm members.*

What you can do right now:

- Contact your co-op board and management and let them know what you think about these changes.
- Contact Nick Levendofsky at nickl@wisconsinfarmersunion.com or (608) 234-3741 with questions.
- Consider writing an opinion piece or letter to the editor on this issue.
- Join Wisconsin Farmers Union and/or follow us on Facebook to get updates on this issue.
- Spread the word to fellow co-op members and ask them to pen a resolution opposing these changes.



Image source: Willy Street Co-op

Stand up for your rights as a co-op member owner!

This fact sheet is brought to you by:



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What you can do: Write a resolution

One action cooperatives can do is pass a resolution opposing the statute changes, sending a message to cooperative boards and management that the state's cooperative statutes worked just fine the way they were.

The two following resolution options are ready for you to present at your co-ops annual meeting. All you have to do is fill in the blanks with your co-op's name:

Resolution Opposing Wisconsin's Cooperative Statutes Modernization

Option 1:

"We believe in the cooperative principle of member control. Non-members may advise cooperative boards, but they should not have a vote.

We believe in the cooperative principle of one member, one vote. We do not support the practice of voting based on patronage within cooperatives.

Member owners of a cooperative should have access to at least the last 10 years of the co-op's financial and non-financial records, in order to provide meaningful accountability and oversight."

Option 2:

Whereas, (name of cooperative) believes strongly in the state's cooperative statutes and all they stand for; and

Whereas, we support direct election of board directors by the cooperative's members only, and that each director must also be a member. We oppose the appointment and election of outside directors without direct election by the membership; and

Whereas, we believe only cooperative members should be allowed to vote at member meetings, and that each member has one vote, regardless of the member's degree of financial interest in the cooperative. We oppose any provision that bases voting power on patronage activity; and

Whereas, we support current law that allows a cooperative to be organized with or without capital stock, but if the cooperative issues stock any dividend on the stock, that it cannot exceed 8 percent per year. We oppose the removal of the 8 percent dividend limit for domestic cooperatives and removal of the reference to an 8 percent dividend in the definition of "foreign cooperative;" and

Whereas, we support current law that requires a cooperative to keep correct and complete financial records, and oppose limiting a member's right to examine a cooperative's financial records to financial records covering the current or preceding five fiscal years; and

Therefore, be it resolved that (name of cooperative) goes on record as being opposed to the cooperative statutes modernization bills recently passed by the Wisconsin State Assembly & Senate, and despite the fact these changes are now law, does not support implementing these changes within our existing cooperative structure.