

Meeting Millennial Farmers' and Ranchers' Expectations from Their Cooperatives

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Background on Millennials

- Millennials: age 23-38, born between 1981 and 1996.
 - Largest generation in the US workforce.
- Number of farmers and ranchers under the age of 35 is *increasing*, rather than decreasing.
 - High land prices, low commodity prices, and a lack of skilled labor available to help
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- Most Millennial farmers have a college degree
 - May be in debt from student loans or credit cards.
 - Many delay major purchases
- This generation came of age and entered the workforce during a severe recession
 - May affect their decisions regarding major purchases
 - Might have off-the-farm employment before committing to farming full time or will keep a full or part-time job to supplement farm income
- Millennial farmers and ranchers work hard, but differently
 - They're well connected
 - They like apps
 - Real time data
 - Technology is always on
- Prefer to communicate digitally
 - Prefer to text
 - Again, apps
 - Buy online

The Issue

Millennials, even Millennial farmers and ranchers, approach businesses differently, and agricultural businesses are working to stay relevant this generation and accommodate their needs. These young group of producers is the current customer base of agricultural cooperatives and will lead cooperatives into future growth and success. To investigate how to best serve this unique group the Texas Agricultural Cooperative Council (TACC) commissioned this research with the following objectives:

- Describe young members' service and sales expectations from their cooperative
- Determine young members' communications preferences from the cooperative.
- Understand members' personal connection and involvement in the cooperative.
- Explore methods to improve cooperatives' service and methods of communications

Investigation Method

- Ten question survey, administered to participants at the Academy for Cooperative Excellence in January 2019
 - 21 total responses
 - Young farmers and ranchers/cooperative members
- One-hour focus group
 - Followed the ACE meeting
- Voluntary participation
- Names below are pseudonyms

Findings

Service and Sales Expectations

“I don't mind our co-op not being an everything. I just need them to be really good at what they're doing, and then I can go shop around anywhere else for anything” - Alex

Hours

“I can call on the phone and have somebody there if we're working on a weekend, and I need a bearing, need a hose, need oil, whatever” - Dak

“Our co-op's available. We're cutting grain, they stay open and if it's Fourth of July, that's normally when we kick off, and sometimes we tell them, ‘Yeah, we're gonna cut,’ and they're open” - Neal

Sales and buying factors

- Like to deal with one person, they know your needs better, how you work
- Some coops have an expertise person (hardware, cattle)
- Dealing with one person that knows your needs is really important
- RELATIONSHIPS keep them coming back

Buying habits

“We do use other gins because our landlords force us to” - Alex

“I always shop around. So, I'm already on the board at [coop name], so we're always pretty competitive within reason, but we do shop around for everything” - Neal

“We do shop around for fuel, and prices, so to speak” – Robbie

Decision Process

- Most are in partnerships, usually with family, so they may not be the buyer.

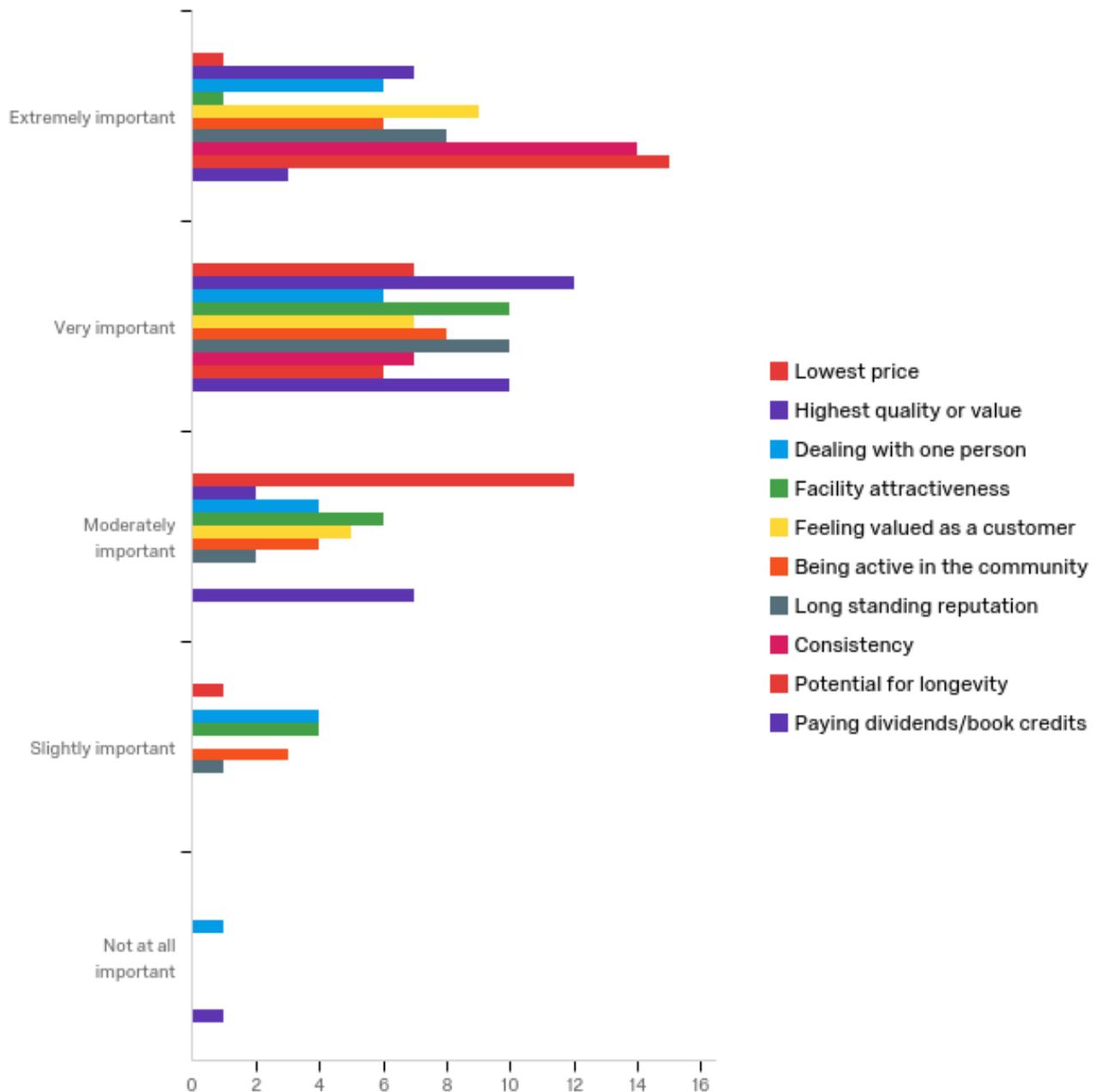


Figure 1: Important factors to young coop members

KEY POINTS:

- They respect your time and try not to call a lot, but they really appreciate the coop being open or available during very busy times.
- Relationships developed with the customer is key; make them feel important
- In many circumstances, farmers are making major decisions with their partners
- They like knowing that the coop is going to handle crop marketing
- Longevity and consistency of the coop are important, as are quality and value

Communications Preferences

- Text messages are preferred

Apps

“We get marketing alerts for prices. Cause you try to check The Seam every morning, but sometimes you're really busy and you just don't, and you'll get a text, and it's like, ‘Oh, alright. Let's do it’” – Adam

“I'd have to say on the app deal. I think that's strong, important moving forward. Everything's comes down to that nowadays, almost everything you use an app, and it's convenient, easy, and then I think it's important for the co-ops to do a better job of getting the young involved” - Robbie

Print

“Sometimes it's kinda nice to have that paper to touch and look through pictures and read about things that are maybe going on in the co-op that you maybe haven't heard about or maybe they don't really pertain to you.” - Amanda

Figure 2: Preferred way to interact with the co-op

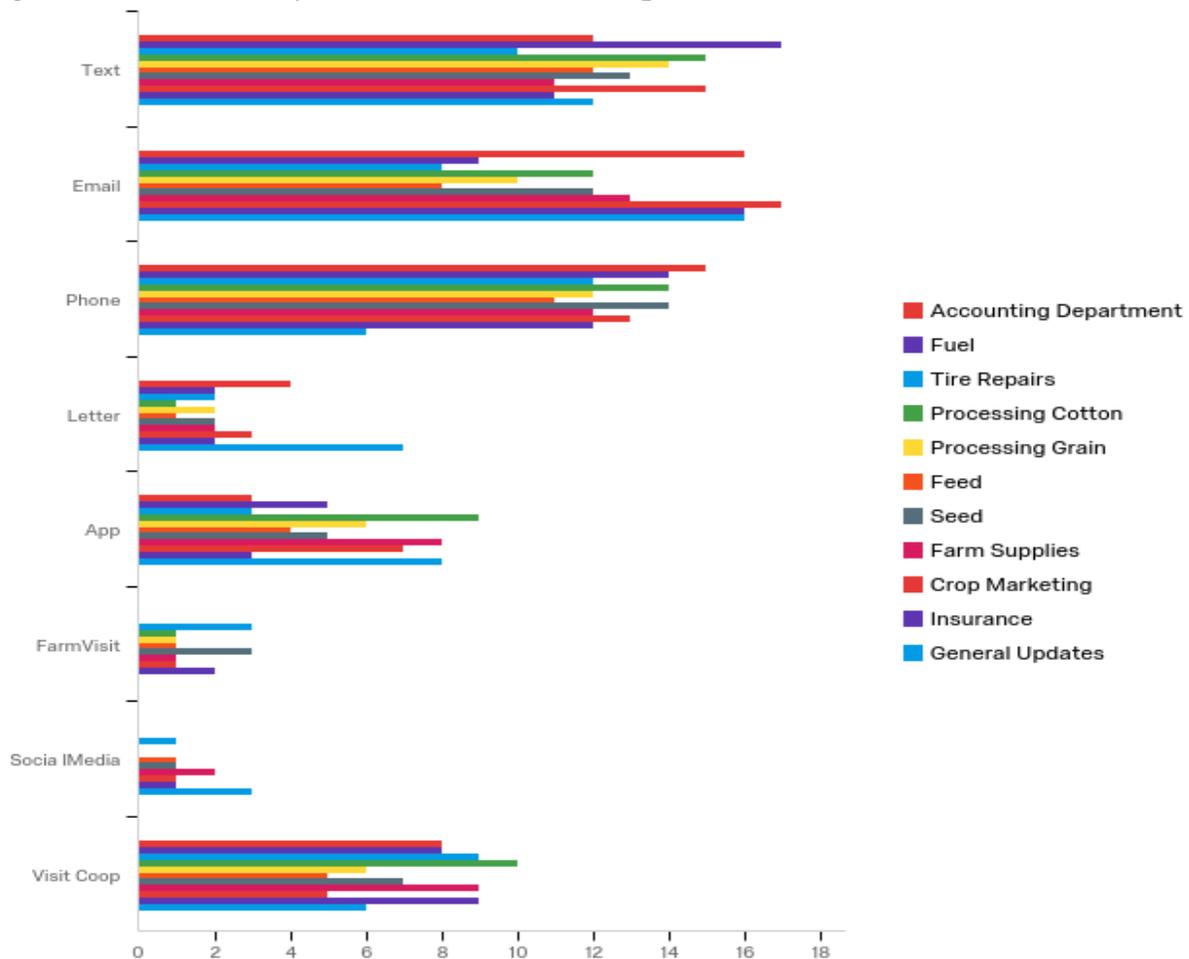
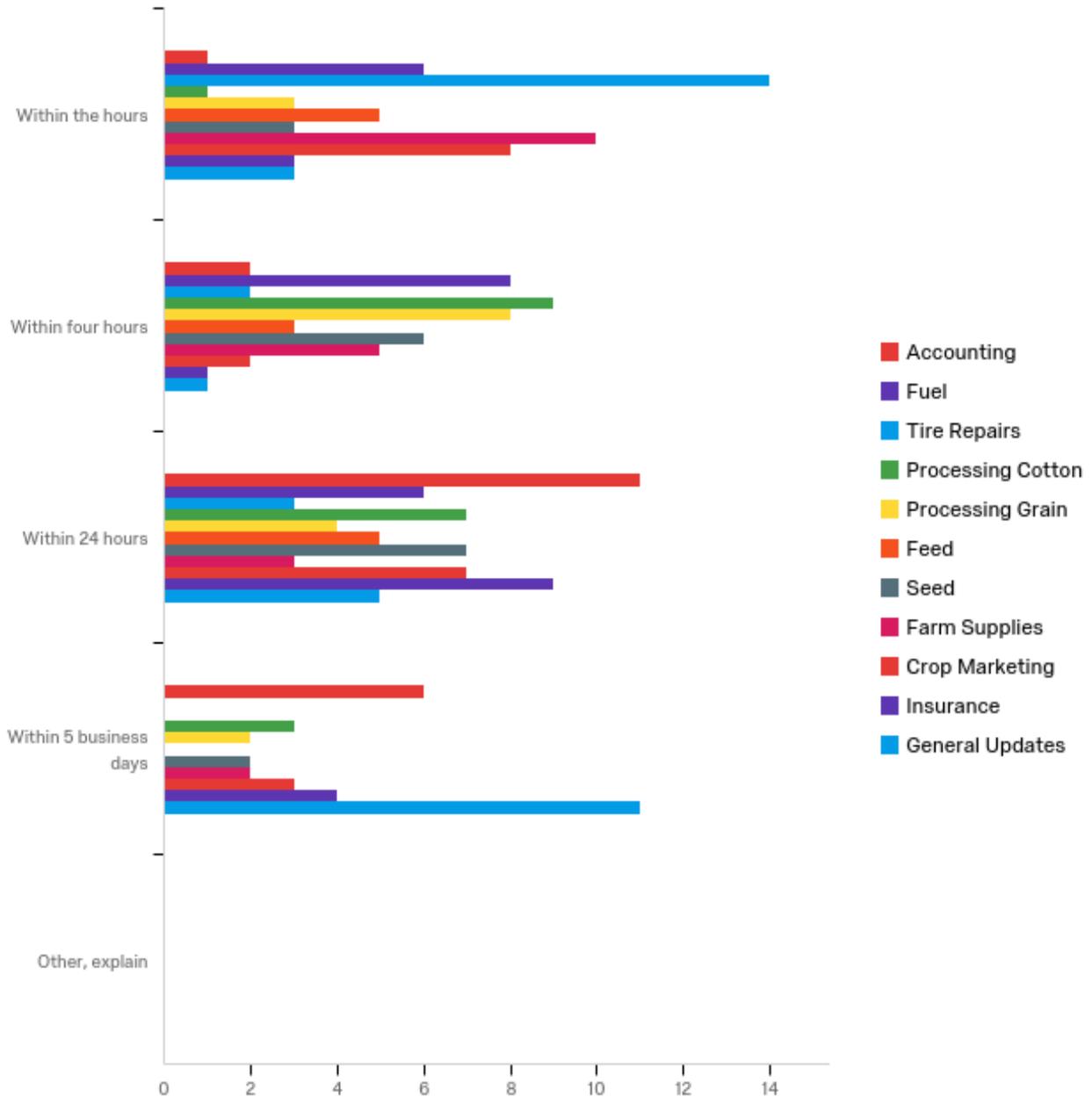


Figure 3: How quickly young members want a response



KEY POINTS:

- TEXT!
- Apps, especially those that will push notifications and general information
- Email is still okay
- This group still likes getting magazines from their coop. Ginning reports are good
- Websites are important (if you don't have a website, you don't exist)
- Facebook can be useful
- A weekly or biweekly update would be nice for general information
- Want a quick response from tire service

Connection and Involvement

Proud connection

“It’s mine. I mean, I don’t know a better way to say it, but I feel a part of it. I feel like it’s important to me because they’re working to help me and I’m working to help them. I love it. I think that’s the best part about it” – Dak

“It’s just the level of confidence you have in em that makes you feel proud to work with them, so to speak” – Robbie

Connection to the community

- Coops can be depended on to provide good jobs.

“They’re always donating to the local churches, and you’ll always see a whole bunch of old-timers up there trading stories and drinking coffee; it’s just a big part of the community” - Adam

“We recently were helping with a basketball tournament, and needed cooking oil, and went down to the gin. They said, ‘Here, take what you need.’ They’re that involved. They want to help. I think that’s important” – Dak

Current and future leadership roles

- All participants have served or are currently serving in a leadership role in their coop

“You have to look at it as you’re part of that business, and if you’re apathetic toward it, somebody else is making the decisions for my business. So, I want to be a player in the decisions” – Matthew

“Well I’m gonna say bridge a gap between the two generations of people and help the older people to serve as advisors and for them to step down and get the newer people involved, and older board members could take more of an advisory role” – Amy

Deterring factors to involvement

“We’re young and a lot of the guys are older and there’s not many of us young guys, especially my gin. I might be the youngest. So, it’s a little intimidating to show up to things sometimes, but I still am proud cause they do a good job” – Alex

“I think some of the intimidation factor keeps some of the younger farmers from running from the board, or for the board. They don’t think they can compete, won’t get elected, so don’t even try” - Matthew

Socialization

- None socialized at the gin. Sometimes it is out of the way to stop by.
- A lot of the participants had young kids, so they’re trying to get as much done in the day so that they are more available to the kids.

What do you value most about your coop? (*Open-ended questions from survey*)

State of the art cotton gin

The stability and consistency allowing me to be confident that they will handle and process my crop and get it sold at a good value taking the worry and stress off my shoulders.

Community

Keeping private company's honest

The availability of supplies, fuel, and the gin, of course

Quality and value they bring to helping my operation

Always up to date on seed and chemical

Relationship

Convenience

Service and high quality

Personal Service****/Good people who understand our needs

Efficiency

KEY POINTS

- Young members are extremely proud to be part of the coop. They appreciate all the coop does for them and for the community.
- They have taken some sort of leadership role, but they would like to do more; however, they may not know how to become involved.
- Some of the young members may feel intimidated or not qualified to be involved.

Ways to Improve

Young member involvement

“Maybe, whether it's having someone involved on an advisory board, so you can oversee, undersee what's going on on the board, and learn, so to speak. I know it's confidential in there, but give young people a certain role that they can actually visualize what's going on within the co-op itself, on the board and stuff like that. That way you're more knowledgeable on the subject” – Robbie

“I think transparency is part of that, is being clear from the top to the bottom, and kinda to add to the other question, I even think that term limits for board members is a good thing, because then politics doesn't get to be as big of a issue as... you can really truly serve your co-op and it's not who you know that gets you that position, it's because you want to serve” - Dak

- Involve spouses in some way, such as a social or meal
- Provide some interaction at the annual meeting
- Advertise ways to become involved.

Other ways to improve

- Be innovative. Look for ways to improve. Talk to members for improvement ideas
- Be more transparent
- Advertise services and quality

What is one thing you would change about your coop? (*Open-ended questions from survey*)

Continue with innovation; make sure its member needed first and not just searching for something else to pursue

Add diversity

Transparency

Wish that we wer more focused on improvements and being progressive

Nothing

Welcoming of young producers in the office

Offer more services

More young farmers that are involved

Promote more on social media

What is the biggest improvement your coop could make to increase membership? (*Open-ended questions from survey*)

maybe advertise more to engage more people, give them a reason to want/need to be part of it, create a "culture" that everyone wants to be part of.

Improve facilities

Investing in infrastructure

Manager being more approachable

Customer Service

See above

Offer more services

Increased service

Getting out in front of non-members and working to gain their business

Merge with other co-ops

Reach out further to the community as a whole

KEY POINTS

- They want to be involved
- Advertising involvement opportunities may allow you to engage someone you had not previously thought of
- Advertising your great qualities will improve brand awareness and possibly improve membership

Conclusions/Recommendations

This research was conducted with one group of farmers at one point in time. Results should be generalized with caution. The information in this section is a combination of the data collected in January and pre-existing information found from various academic sources.

Big Positives

- This group loves their coop, is proud to be part of it, they are loyal.
- They feel like the coop and its employees are their business partners, and they feel the coop has their best interest. Those relationships are huge.
- They want to be involved, so find something for them to do. Ask them for help.
 - Don't wait for the young people to approach you because many of them don't feel qualified to help.
- They want the coop to last.
- Although this generation is known for wanting an immediate response, this group isn't as pushy about everything. They still respect your time.
- It's okay to use printed materials and emails to communicate with young members; just know there are other methods that are preferred.
- Millennials tend to like businesses that participate in some sort of philanthropy, so the fact that the coop can be depended on for donations and helping the community makes them very proud.
 - They also – in general – support businesses that use environmentally friendly practices. If you do so, promote it.

Ideas to take back

- Look into an app development company
- Think of things that you could send text notifications about. They want to hear from you more but do so in a text or push notification.
 - Look into a text messaging system
- Don't isolate your young farmers as a different group. Although they prefer electronic communications, they still like hard copies, and you still need to provide hard copies for various audiences.
- Ask them to help you share information through social media
- It's okay to have fun with communications materials
- Look to other farmers, not just your traditional audience. There may be an audience you can serve.
- They will share good experiences (use to your advantage, ask them to share)
- Consider an advertising campaign to improve membership or solidify your brand

Follow Up

For questions or idea generation, feel free to contact Erica Irlbeck

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