



University of Tennessee Extension
Center for Profitable Agriculture
P.O. Box 1819
Spring Hill, TN 37174

Press Release

Contact: Rob Holland
Phone: (931) 486-2777

FOR IMMEDIATE RELEASE
October 3, 2006

New Cooperative Law Creates Investment Opportunities for Farmers

Start-up costs for large, value-added processing businesses are often very high. Under a new law, a processing cooperative can raise start-up capital from both farmer and non-farmer members.

Rob Holland, University of Tennessee Extension Specialist with the Center for Profitable Agriculture says, “The new law provides a legal business structure that allows farmers to cooperate with each other to obtain the required quantities of agricultural commodities for a processing operation and supplement their capital investment with capital from outside investors.”

Holland said it is important for farmers who are considering investment in a new processing cooperative to understand that as a patron member, their commitment will be from three different perspectives:

Member – various responsibilities and opportunities for leadership, direction, and decision-making in the business.

Capital Investor – financial investment in the business

Commodity Investor – supplying a specified amount of annual commodity production as raw input for processing by the business

Additional information about membership and investment in a processing cooperative can be found in UT Extension publication PB1750, available online at <http://cpa.utk.edu/pdf/files/PB1750.pdf>

###

Contact: Rob Holland, UT Center for Profitable Agriculture, (931) 486-2777

Center for Profitable Agriculture
P.O. Box 1819
Spring Hill, TN 37174

Phone: 931-486-2777
Fax: 931-486-0141
Email: cpa@utk.edu