

Farm Supply – CoopMetrics Benchmarking: A New Management Tool for Farmer Cooperatives

The creation of Farm Supply – CoopMetrics Benchmarking offers farm supply and grain elevator cooperatives a method to compare themselves with other cooperatives in the industry. A joint effort by the Iowa Institute for Cooperatives, CoopMetrics, and the Iowa Alliance for Cooperative Business Development at Iowa State University developed and currently markets the program.

Farm Supply – CoopMetrics Benchmarking is a great management tool for farm supply and grain elevator cooperatives,” said David Holm, executive director of the Iowa Institute for Cooperatives. “Cooperative managers and directors can retrieve the information they need to operate more efficiently and stay competitive.”

Farm Supply – CoopMetrics Benchmarking has 30 members enrolled in the program and nine more transitioning into the program. Land O’Lakes recently endorsed Farm Supply – CoopMetrics Benchmarking and its use by Land O’Lakes consultants. All member cooperatives are currently located in the Midwest, but Farm Supply – CoopMetrics Benchmarking offers value to cooperatives in other regions of the country as well.

“Cooperatives can analyze their performance with measures that are relevant to the farm supply and grain elevator industry,” said Roger Ginder, retired Iowa State Extension economist and cooperatives specialist. “They can learn if underperformance is due to an industry-wide or firm specific challenge.”

Cooperative board members and managers can use Farm Supply – CoopMetrics Benchmarking to set realistic performance criteria for business and employee evaluation as well as envision future possibilities. The information can be segmented by department, product line, and location and compared (benchmarked) to other members. Members can see their own information in dollars or in ratios for comparison with other members on a quarterly or a rolling basis in real time. Submitting financial information takes about 10 minutes per quarter.

“The cooperative members own the information they upload to Farm Supply – CoopMetrics Benchmarking and get to decide who sees the information and which information is available to each person,” said Holm. “All members have agreed to share their business ratios.”

Farm Supply – CoopMetrics Benchmarking adapts to member accounting systems through use of a common chart of accounts. This enables information to be reconfigured for each member’s financial reporting system.

CoopMetrics has developed benchmarking programs for several industries, including grocery cooperatives where it got its start. The Iowa Institute for Cooperatives and Iowa State sought a similar program targeting farm supply and grain elevator cooperatives to help keep those who signed on for the service well-managed and sound. Farm Supply – CoopMetrics Benchmarking currently resides under the Iowa Institute for Cooperatives umbrella, but is expected to be spun out as a standalone cooperative.

For more information about Farm Supply – CoopMetrics Benchmarking, contact the Iowa Institute for Cooperatives at (515)292-2667 or info@iowainstitute.coop.

The Iowa Institute for Cooperatives serves 165 member cooperatives and mutual companies in Iowa. CoopMetrics provides Fortune 500-quality business intelligence tools that improve the competitiveness of local businesses and their associations. Iowa State's work on the project was supported in part by a U.S. Department of Agriculture Rural Cooperative Development Grant.