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U.S. Co-ops Are One-Fifth of New 'Global 300' Listing

Washington, D.C.—The United States, not known as a leader in cooperative business globally, accounts for more names than any other country on a new listing of the world's top 300 co-ops and mutual businesses. Sixty-two of the Global 300 co-ops, or one in five, are U.S. businesses.

The United States also came in third among 28 countries on the list in total co-op revenues. The 62 U.S. co-ops on the list had revenues of \$133.1 billion in 2004, or nearly 14 percent of all 300 co-ops.

The top U.S. co-op on the list was Columbus-based Nationwide Insurance Company. Nationwide was No. 4 worldwide with \$23.7 billion in revenues in 2004. The No. 2 U.S. co-op was Minneapolis-based agribusiness CHS, Inc. CHS was No. 19 overall with \$10.9 billion in revenues.

Cooperatives are democratically owned and controlled businesses that are motivated by service to their member-owners in addition to their bottom lines. Examples include credit unions, rural utility co-ops, and farm co-ops.

The Global 300 was compiled by the International Co-operative Alliance, an association of 227 cooperatives in 91 countries. It was unveiled today in Lyon, France. The complete list can be found at www.global300.coop.

Nearly \$1 Trillion in Revenues

The 300 co-ops on the list had \$963 billion in revenues in 2004. That is only slightly less than the economy of the world's ninth largest country, Canada.

Paul Hazen, president of the National Cooperative Business Association in Washington and an ICA board member, said the importance of the cooperative business sector is often overlooked, both nationally and globally.

"Because they are member-owned, cooperatives are generally not found in stock market listings," Hazen said. "Nor are teams of analysts employed to study their performance."

Especially when he travels overseas, Hazen said, people are surprised to learn of the size and diversity of the U.S. co-op community.

Hazen said the Global 300 is an attempt to shine a light on this often-neglected business sector. “The global reach of these 300 hidden giants will surprise many, as will the large number of U.S. businesses on the list,” he said.

The 62 U.S. co-ops on the Global 300 list had \$406.4 billion in assets in 2004, fifth highest among the countries represented on the list. In addition to Nationwide and CHS, U.S. co-ops include Land O’Lakes, No. 28, with \$7.6 billion in revenues; ACE Hardware, No. 69 with \$3.3 billion in revenues; Ocean Spray, No. 196 with \$1.1 billion in revenues; Sunkist, No. 216, \$975 million in revenues; REI, No. 237, \$888 million in revenues; and the Associated Press, No. 292, \$630 million in revenues.

The Global 300 co-ops are concentrated in three sectors: food and agriculture, which accounted for approximately a third of the list; finance, including credit unions and insurance companies, approximately a quarter of the list; and retailing and wholesaling, almost another third of the list. Forty of the U.S. co-ops on the list—or nearly two out of three—were in the food and agriculture or retail-wholesale sectors.

Utility and energy co-ops, on the other hand, appear to be largely a U.S. phenomenon. All eight utility and energy co-ops on the Global 300 list were located in the United States.

An interesting aspect of the list was the longevity of the co-ops, many of which have been in existence for 80 years or more. Twenty-eight percent of all the Global 300 co-ops, and 16 percent of the U.S. co-ops, were formed before 1920. By comparison, leading companies in the Fortune 500 are much younger.

Hazen said the difference stems from the ways the businesses obtain capital. “Investors in conventional businesses seek maximum short-term profit, often at the expense of the long-term development,” he said. “Cooperatives, on the other hand, are free to focus on sustained development and growth over a much longer time period.”

Note: Many of the numbers cited in this news release were taken from an analysis of the Global 300 prepared by the Rural Business-Cooperative Service of the U.S. Department of Agriculture.

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