

The Beginning

Farmers Union and CHS, Inc.

1844	1902	1908
First Co-op Store opens in Rochdale, England	Farmers Educational and Cooperative Union of America (Farmers Union) forms	Equity Cooperative Exchange begins
1923	1926	1927
National Producers Alliance formed	Farmers Union Terminal Association formed and led to development of Farmers Union Exchange	Charles C. Talbott elected president of North Dakota Farmers Union (1927-1937)
1931	1931	1935
Charles C. Talbott elected president of Farmers Union Exchange (1931-1937)	Farmers Union Exchange becomes Farmers Union Central Exchange	Co-op Tractor distributed
1938	1943	1956
Farmers Union Grain Terminal Association opens	First refinery of Farmers Union Central Exchange; Laurel, Montana	Introduced Soil Service Centers
1966	1971	1972
Farmers Union Central Exchange ranks fourth among the top 500 companies in the U.S. in sales per employee	Farmers Union Central Exchange sales exceed \$200 million in one year	Farmers Union Central Exchange becomes CENEX
1983	1998	
Farmers Union Grain Terminal Association and North Pacific Grain Growers merge to form Harvest States Cooperatives	Harvest States combines with CENEX to form CHS, Inc.	

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From the very beginning of these United States, cooperative enterprises have been an important factor in the life and livelihood of its farmers. Co-ops have helped shape the character, the economics and the social and political life of the state.

Cooperatives have been instrumental in developing leadership and leadership skills which often have been recognized and utilized by other organizations in the community, state and nation.

While cooperatives have successfully met many obstacles, new challenges are constantly before them.

With these many changes in the economic and social conditions of a given time period, the basic cooperative movement will continue as long as there is a need to be filled and co-op members are willing to work together toward reaching their objectives.

The First Cooperative

The cooperative movement began October 24, 1844, when a group of 28 laborers scrimped and saved a total of 28 pounds (\$110) to form a local cooperative to help them survive in the low-wage textile factories of Rochdale, England. Since they had already tried and failed to get a wage increase, they turned to the only option left to them; to buy what they needed at a lower cost. The prospective members had no example to guide them ... only theory and hope to achieve their dream of operating a cooperative store.



Original store of the Rochdale pioneers

Few people believed this modest store on Toad Lane would ever survive. In England, cooperation was not a new idea. One difference among the familiar cooperative principles “one member, one vote” or “limited earning of capital” was two words, CASH ONLY. There would be no dividend payment until sales were collected and all the bills had been paid. This new concept generated by 27 men and one woman brought slow but steady debt-free progress.

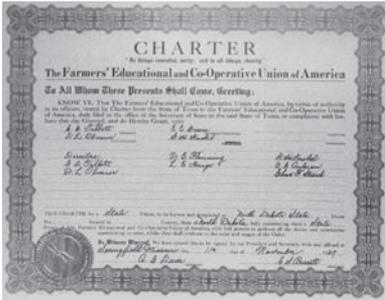


Sod houses on the plains at the turn of the century

The Farmers Alliance

In America, the farmers of the Midwest were also struggling to survive on the land. They knew nothing of the modest success of the Rochdale cooperative, but had formed farmers' clubs. In 1844 these clubs began to focus on the importance of agriculture, the problems with the rural economy, and what

must be done to rectify farm poverty. With the Farmers Union Central Exchange still generations away, the farmers' clubs in America became the nucleus for a movement to increase the strength of farmers. The farmers' clubs expanded throughout the Midwest, creating the Farmers Alliance.



NDFU was chartered in 1927 with 13,000 members ... the largest membership in any of the 31 states in which Farmers Union was active

The Farmers Educational and Cooperative Union of America

The Farmers Alliance movement spread from Texas through the Midwest, highlighting the increasing concern that something needed to be done to keep farmers on their land. Economics, education and politics became the focal points. The Farmers Educational and Cooperative Union of America (Farmers Union) was formed in 1902 to gain control of markets and address the farmers' plight. "If you can't get more for what you grow, then pay less for what you need," was the philosophy that had created a sizable cooperative in Rochdale, England, and eventually found a home in Farmers Union.



Farmers Union Co-op Oil Co., Jamestown ND

The Equity Exchange

By 1908, Farmers Union had shifted its philosophy on becoming a more efficient cooperative supply operation to a cooperative marketer. After three years of fund raising to build a terminal grain marketing cooperative, the Equity Cooperative Exchange was born.

The Equity Cooperative Exchange, or Equity Exchange, did all the leg work of finding, storing and transporting grain. The Equity Exchange fought for a seat on the Minneapolis Grain Exchange, but was not able to participate in this venture due to the decision of the Minneapolis Chamber of Commerce. The Equity Exchange was not able to partake in the Minneapolis Grain Exchange, partly because it returned profits to farmers.

A huge step forward came when a grain facility was created; the St. Paul Grain Exchange. Because of the Equity Exchange's determination to gain profitability for farmers, they were able to gain a seat on the St. Paul Grain Exchange board as well as lay the groundwork for additional organizations to form using the Equity Exchange's concepts and philosophy.



Three generations of cooperative newspapers

Farmers Union Terminal Association

In 1923, using an Equity concept, the National Producers Alliance was formed with the idea that farmers fix prices on their products based on the cost of production. As a result of the eroding farm economy, the Equity Cooperative Exchange was forced into receivership. A merger in 1926 of the National Producers Alliance and Farmers Union slowed the fate of the

financial disaster. The losses, however, were inevitable and the Equity Exchange went bankrupt. To fill this void, the Farmers Union Terminal Association was formed with Dan O'Connor as the chairman and C.C. Talbott as the vice chairman.

Charles C. Talbott

Charles C. Talbott had now migrated from his farm in Missouri to the new land of opportunity, North Dakota. He and his family settled on a farm near Forbes. He became an active advocate of the Farmers Equity Union in 1913 and soon learned that farmers could not solve their problems through politics alone. Because of his determination and enthusiasm, Talbott helped to create the North Dakota Farmers Union (being nominated president in 1927 at its first state convention and holding that position until his death in 1937) and was placed on the Farmers Union Northwest Organizing Committee. The purpose of this committee was to promote an agricultural economic organization and introduce new states into Farmers Union membership. Other members of the Northwest Organizing Committee were A.W. Richer and M.W. Thatcher. This committee evolved to become the Farmers Union Terminal Association in 1926. The Farmers Union Terminal Association handled only a million bushels of grain its first year (1926), but by 1928 managed 17 million bushels of high protein wheat and durum.



Charles C. Talbott



Kenmare Farmers Union Oil Co. - early 1930s

Farmers Union Exchange

The board members of the Farmers Union Terminal Association wanted a buying organization through which Farmers Union members could serve themselves and save money. This created the Farmers Union Exchange. Until January 1928, the Farmers Union Exchange sold most of its merchandise through township locals. The Northwest Committee had earlier pressed for the creation of bulk oil stations and elevators as fast as memberships were organized. The voice of Farmers Union, *The Herald*, announced the project undertaken by the Northwest Committee: “For recent months we have had under consideration plans for organizing bulk oil stations in the Northwest territory covered by the Farmers Union.” The first, and biggest commodity sold by the Exchange was binder twine. Other commodities included flour, salt, coal and coffee.

Farmers Union Central Exchange

Due to the rapid increase of bulk stations in North Dakota, the Farmers Union Exchange separated itself from the Farmers Union Terminal Association. On February 9, 1931, Farmers Union Exchange became Farmers Union Central Exchange. A committee was selected to prepare the articles of incorporation which used the existing articles of the old Farmers Union Exchange as a model. At the first meeting of the board of directors in St. Paul, Minnesota, on January 15, 1931, C.C.



Farmers Union GTA meeting Dec. 12-14, 1955 - St. Paul MN

Talbott (president of North Dakota Farmers Union) was voted in as the first president of the Farmers Union Central Exchange. He remained in this position until his death.

Big Enough

The Farmers Union Central Exchange emerged from educating farmers about the benefits of supporting local cooperatives through challenging years of drought and financial uncertainty to advancements and refinements in cooperative service and supply. It took thirty-two years for annual sales to reach \$100 million. By 1971, sales had exceeded \$200 million in one year. Yet with all the growth and change, rumblings were heard, “How big should a co-op be?” Co-op leaders answered. “Big enough to supply fertilizer, feed, seed, equipment, fuel and finance to any requesting farmers. Big enough to effectively control and manage basic resources and supplies through the cycle to finished, delivered products. Big enough to challenge the competitive prices and services of private interests in the same product arena. Big enough to respond yet small enough to hear the owner, alone in the field.”

CENEX Logo Created

In 1972, Farmers Union Central Exchange was faced with a difficult decision of modifying the company’s identification. The gold Co-op shield, which had been the cooperative’s insignia since the turn of the century, was replaced with a red and white CENEX sign. Some feared that the personality of the company would be irrevocably altered.



Where the customer is the company

They expressed great reservation in leaving behind the storied history represented by the great red, green and gold Farmers Union Co-op seal. But the principles of the pioneers who had seeded the effort were certainly not abandoned. CENEX, “Where the customer is the company,” was born.

The Creation of CHS

In 1983, the Farmers Union Grain Terminal Association (which was opened in St. Paul in 1938 from the liquidated Farmers Union Terminal Association) and North Pacific Grain Growers merged to form Harvest States Cooperatives. Harvest States was combined with CENEX on June 1, 1998, to form CHS Inc., an integrated agricultural foods system linking producers to consumers. In 2006, CHS marked its 75th anniversary and issued a record \$151 million cash and stock disbursement to members.

The Partnership

Today, Farmers Union and CHS partner together with local cooperatives on issues that affect both cooperatives and their patrons. Not only has Farmers Union and CHS enjoyed a rich history of connecting the producer with cooperatives, but works extensively to keep the relationship strong in the future.

“THE COOPERATIVE WAY”

“By myself and with only my hands,
there is not a great deal I can do.
But if we all put our hands together,
we can do whatever needs to be done.”

—Perry Jameson

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