

Agricultural New Generation Co-operatives Program

In 1999, Saskatchewan passed legislation to enable the development of New Generation Co-operatives, clearing the way for farmers to work together to develop businesses for producing value-added products from their primary production.

Why start an Agricultural New Generation Co-operative (NGC)?

Many Saskatchewan farmers are looking for ways to enhance the viability of their operations by adding value to their production.

The term New Generation Co-operative is commonly used to describe a co-operative structure that uses principals including:

- membership limited to those who purchase
- deliver responsibilities, and
- higher levels of equity investment by individual members.

Successfully organized and operated NGCs can provide the means for producers to convert farm production to value-added products.

A NGC can:

- provide farmers with a more secure market,
- provide more marketing power for farmers,
- provide increased farmer profitability by accessing processing and marketing sector profits, and
- provide opportunities to generate income and jobs for rural communities.

The province is developing the tools to help farmers take advantage of opportunity presented by NGCs. Saskatchewan Agriculture and Food has established the ANGen Program to assist producers considering a NGC.

The ANGen Program

The ANGen program provides eligible NGCs with help to develop and implement a sound business plan in order to make informed “go/no go” decisions at appropriate stages.

Program Criteria

- Applicants are normally required to contribute at least 50 per cent of the total project amount.
- A portion of the assistance will be paid on signing and the balance on proof of significant progress.
- Applications are accepted on a year-round basis.
- If implemented within a negotiated period of time, the applicant NGC has the exclusive use of the study. If not implemented the study will revert to the public domain.

The NGC legislation gave co-ops greater flexibility in organizational structure in order to access capital markets, attract equity capital, and define delivery rights and responsibilities. Specific provisions in the legislation include:

- non par value shares,
- non-member preferred shareholders may have up to 20% representation on the Board, and
- special rights preferred shares may have delivery rights or responsibilities.

Eligible assistance

- **Organizational** assistance in formalizing the NGC’s goals and the organizational structure of the co-operative, and developing the bylaws and articles of incorporation.
- **Feasibility study** assistance to help analyse and understand the factors that will impact on the business and contribute to the success of the NGC.
- **Business plan development** assistance to help the NGC pull together all the marketing, management, labour, technology, regulatory and finance aspects in order to develop a sound business plan.
- **Marketing plan** assistance to help identify the market potential and the market trends for the proposed product.
- **Prospectus** assistance to help with the preparation and approval of the document needed prior to collecting funding from potential shareholders.
- **Pre-design of facilities** assistance to undertake activities required prior to the construction of the facility, including such things as design specifications, architectural drawing and other tasks.

Ineligible activities

Assistance may not be used for the production of agricultural commodities or for the purchase of land, buildings or equipment.

Eligible applicants

- A NGC incorporated in Saskatchewan or a group in the process of organizing as a Saskatchewan NGC.
- A NGC operated primarily for the marketing and processing of Saskatchewan agricultural commodities into food or non-food products.
- Use agricultural commodities produced primarily by members of the NGC.

New Generation Co-operatives share many of the key attributes of traditional co-operatives, including:

- democratic control based on one member one vote;
- a board of directors elected by the membership; and
- a minimum requirement of six members.

Other assistance

Saskatchewan Economic and Co-operative Development (SECD) have staff at regional offices throughout Saskatchewan. SECD programs and staff can provide advice and financial assistance for organizational development and board training and development.
Phone: 1-800-265-2001

How to apply

To receive an application or get more information on the program contact:

Industry Development Branch
Saskatchewan Agriculture and Food
3085 Albert Street
Regina, S4S 0B1
Phone 787-8527
e-mail: ebendig@agr.gov.sk.ca



Saskatchewan
Agriculture
and Food

Agricultural New Generation Co-operatives (ANGen) Program

*A program to assist the
development of value-added
agricultural new generation
co-operatives*