

FEDERATION OF SOUTHERN COOPERATIVES/  
LAND ASSISTANCE FUND

STATEMENT OF HISTORY, BACKGROUND AND COOPERATIVE  
PHILOSOPHY

For over two decades, since 1967, the Federation of Southern Cooperatives has worked at the grassroots level in rural communities around the South. Through community based cooperative economic development efforts, the Federation and its member cooperatives and credit unions have worked to generate new income, jobs, services, training, awareness and a spirit of self-help and change for many low income and economically exploited people in some of the most depressed and persistently poverty-stricken rural counties in America.

Building on the work of the Civil Rights Movement, the Federation over the past twenty years, has organized a community based cooperative economic development movement among 30,000 low income families working in over 100 communities in the rural South. The Federation is a non-profit, tax exempt (IRS 501c.3 designation) association established to provide services, resources, technical assistance and advocacy to its membership of cooperatives and credit unions and their individual member families.

The Federation works in eleven Southern states, i.e., Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Texas. In recent years, funding limitations have forced us to concentrate our resources in four states: Mississippi, Alabama, Georgia and South Carolina, while continuing to maintain contact with the membership in other states.

In August 1985, the Federation and Emergency Land Fund officially merged into one organization, the Federation of Southern Cooperatives/Land Assistance Fund. The merger has enhanced our capabilities to work on the problems of land retention for black landowners and family farmers. Although blacks are still losing land at an alarming rate, in the counties where the Federation/LAF is active, we have reduced the number and amount of losses to individual families and rural communities.

The Federation remains a broad based democratically controlled organization. At every level, members participate in electing their own leaders and managers. The regional Federation/LAF Board of Directors is chosen by the State Associations of Cooperatives in each state where there are active members. Each State Association elects one representative to the Federation's board. Three at-large board members are elected by the total membership. The cooperatives and credit unions in each state

send delegates to participate in the State Association meetings. Members in the local cooperatives and credit unions select their own directors, managers and delegates to the State Association meetings.



The constituency of the Federation includes:

-15,000 small Black farmers, organized into 30 agricultural marketing, purchasing and technical assistance organizations; our members collectively own half a million acres of land; over \$6 million of vegetables, soybeans, livestock, and cotton, were sold through these co-ops last year; the co-ops make it possible for small farmers with an average of less than 50 acres, to retain and make productive their small land-holdings; county associations of black land owners provide information, legal referrals and resources to help prevent further black land loss. Through county land workshops over 28,000 acres of black-owned land, valued at \$8 million was saved last year. Several million dollars of hay, corn seeds and livestock were distributed through the Federation to drought stricken and destitute farmers during the 1986 and 1988 droughts in the Southeast.

-2,000 handicraft producers, find marketing and purchasing outlets through 10 producer co-ops that provide half a million dollars in supplementary income to their members each year.

-10,000 small rural savers, have built over \$5.5 million of assets, in 15 member community development credit unions, since 1970; these community thrift institutions have loaned \$20 million to rural and minority people, whose access to conventional financial institutions has been limited. A computerized accounting service is being developed by FSC/LAF to maintain current records and reports so that these credit unions will remain in good financial standing.

-1,000 housing co-op members, who now live in safe, sanitary and decent homes, due to the housing construction and rehabilitation efforts of FSC/LAF and its members affiliates.

The Federation has been dedicated to the cooperative principles and operating philosophy as the best means to insure that poor people and minorities will share in the economic system and receive an equitable portion of the ownership of resources and distribution of the benefits in our society. Cooperatives, with technical and financial support from public and private sources, are a flexible development tool to allow poor people through democratic participation and mutual aid to build economic power, political influence and social stability. The Federation has assisted many local grassroots rural groups to use the cooperative structure to build new self-help institutions to share economic power and political progress in their local communities.

Since its beginnings, the Federation has been multi-racial and united poor people of different races, creeds and cultures around a common self-help economic development program. Because of the historic problems of racism and discrimination in the rural South, a major appeal of the Federation has been to Black people. FSC's constituency remains clinging to small land-holdings, working in seasonal agricultural jobs, suffering discrimination in employment, living in substandard housing and barely surviving in isolated rural communities. Chicanos in the southeast, Appalachian whites and some Native American groups have also joined the Federation to share its dreams and pursue its constructive program of social change.

The Federation working with low income people and through their own self-help organizations, seeks to deal with rural poverty in a regional comprehensive and coordinated approach. We see some of the problems of rural people: substandard housing, low literacy rate, unemployment and under-employment, idle land holdings, poor health care, hunger and malnutrition, as potential opportunities for the development of self-help strategies to change and correct these situations. Cooperatives which make productive use of land, grow food, rehabilitate and construct new housing, develop jobs and teach people new skills, are creative people oriented mechanisms, which help grassroots people to find solutions to their own problems. The cooperative movement teaches people to replace despair and depression with hope and positive accomplishments.

The Federation has been reluctant to pursue glamorous demonstration projects and other high visibility models, which are often difficult to replicate, do not arise from the expressed real needs of poor people and cannot be managed by local leaders. Often these models achieve success, only through excessive subsidization, while the actual number of poor families they help is very small. The Federation's "people oriented-strategy" emphasizes participation as the route to policy changes and capital formulation. By pooling resources and promoting local leadership, cooperatives are creating change and generating many direct benefits for their members, as well as making many intangible community contributions. These incremental developments of human capital and community change are often not fully manifest on any balance sheet but they make a great difference in peoples lives.

It is difficult to measure, the pride of the low income women members of a cooperative, in one of the poorest counties in America, when their quilts win an award from the Smithsonian Institute, for their contribution to the "cultural heritage of America". Similarly, what value do we place on the community leadership training involved when a co-op board member becomes the first Black elected to the School Board in his county; and feels comfortable in his position because he "learned how to make hard decisions and formulate good policies, while serving on the co-op's board".

One also cannot calculate the impact of the young veterinary student, who explains, "I decided to go to college in agriculture, because my father was a member of an FSC co-op and he always carried me to meetings with him to read the minutes and other official papers. Through this experience, I came to understand the need for more Black people to take up professional studies of agriculture". Or how do you fully quantify the impact on a 50 year old small Black farmer with a family of 6, of having the Federation/LAF intervene to prevent a Federal agency and a local bank from foreclosing on his 42 acres and allow him to continue living and farming as he wishes. These true incidents and many more similar occurrences are repeated in countless communities where the Federation/LAF has operated and worked with local people to build their own cooperative organizations.