

Faculty Profile

Shermain Hardesty is a Cooperative Extension Specialist in the Department of Agricultural and Resource Economics at UC Davis. She received her Ph.D. from the department in 1984. She returned to the campus in March 2002 to serve as Director of the Center for Cooperatives, a statewide special program, until its closure in January 2004 due to the severe budget cuts to the University's agricultural programs.

One of Shermain's strategies as director was to incorporate involvement of cooperative extension (CE) advisors in the Center's cooperative development projects. Her current projects include conducting feasibility studies with CE advisor Barbara Reed, for a cooperative cheese-aging facility in Glenn County, and a grass-fed beef marketing cooperative with CE advisor Roger Ingram, in Placer and Nevada Counties. She just initiated a similar beef project with Jay Norton, CE advisor/county director in Tuolumne County. Another of her current feasibility studies involves producers in Butte and Yuba counties who are interested in establishing a cooperative organic olive oil production facility. Dr. Hardesty is also completing research comparing the financial performance of cooperatives in specific agricultural sectors with investor-owned firms in similar sectors.

Shermain is establishing a center within the ARE department that will focus on rural cooperatives. Its mission will include assisting the development of new cooperatives and conducting research and outreach related to the issues of existing cooperatives. She is particularly interested in developing nontraditional structures and applications of the cooperative model to enable California's agricultural producers to compete effectively in a global environment. Potential structures include mergers to create international cooperatives, delivery rights to provide members with the potential for long-term capital gains from their equity investment, cooperatives designed to replace the generic promotion activities currently enabled by marketing orders, and equity financing programs involving nonmembers to expand cooperatives' access to capital.

In a recent discussion paper prepared for the California Agribusiness Executive Seminar, Dr. Hardesty assessed how the traditional structure of agricultural cooperatives has created weaknesses that can be overcome. These weaknesses include limited access to capital, difficulties in controlling members' delivery volumes, limited product diversification options and weak governance



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attributable to producer-members' lack of business expertise. She concluded that the future looks bright for California's supply and service cooperatives that remain focused on their core services. Bargaining associations could be displaced by marketing-agencies-in-common, and information-sharing cooperatives can effectively create countervailing power. Marketing cooperatives face considerable challenges, but the use of financing methods that are nontraditional for cooperatives, closed memberships and well-trained directors should greatly enhance their viability.

To address cooperatives' education needs, Shermain is organizing a workshop for directors of California's agricultural cooperatives. Improved governance is the focus of the workshop, which will be held in Sacramento on July 13, 2004.

Shermain's second area of interest for research and outreach concerns the marketing issues of small producers. She is working closely with a group of producers from the Ferry Plaza Farmers Market who are organizing an association to increase the viability of farmers involved in direct marketing in the Bay Area. Shermain is also looking forward to collaborating with colleagues on a study of the marketing and distribution needs of California's organic producers.

In her spare time, Shermain enjoys cooking to appreciate California's seasonal bounties. She also cherishes getaways with her family at their cabin in Serene Lakes.

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