Through Recession, CooperationWorks Members Assist in Job Growth

Look around. What’s in the news? Media is flooded with stories about an unstable economy, cost of living increases and wage stagnation, and volatile gas prices. Within this economic distress are beacons of hope, stories about the positive impact co-op development is having on our economy and within communities. It is work being supported, in part, by members of CooperationWorks. The impact of CooperationWorks (CW) is not just illustrated with stories of human triumph, but it is proven in numbers.

Over the past year, CW conducted a survey to measure the economic impact of our members’ work, collecting data from 18 member Centers about business development performance and job creation. This survey is a continuation of a study conducted in 2009.

Between 2009 and 2011, CW Centers assisted in the development of 276 new businesses, of which 154 were cooperatives. During this period, 6,050 jobs were created or saved. The projects highlighted in this issue of Networks alone created over 20 jobs, and as important restored essential services in rural communities.

The survey results proved CW Centers to be highly capable at maximizing the impact of Federal funds they receive. For every $1,362 Federal dollars invested in a CW Center in 2011, a job was saved or created. With fewer staff and Federal resources, CW Centers' efficiency is comparable to the much larger Small Business Administration, who in 2010 reported $1,760 of federal funds spent for every job created.

The ability of CW Centers to impact both rural and urban communities is stretched by leveraging these Federal funds — $2,847,121 of non-Federal funds were leveraged in...
**Center News**

**ALASKA COOPERATIVE DEVELOPMENT PROGRAM**

For information, contact Andrew Crow at 907-786-5447 or anacc@uaa.alaska.edu

The Alaska Cooperative Development Program (ACDP) is a part of the University of Alaska Center for Economic Development at Anchorage. It was organized to foster development of cooperative business enterprises in rural Alaska, and to help Alaska producers and consumers use cooperatives to provide economic base activities that can spur rural economic development.

**Farthest North Food Co-op Opens!**

By the time you read this, the Nation’s farthest north food co-op will be open for business in the old Foodland Building in Fairbanks, Alaska. The Fairbanks Community Cooperative Market is the realization of an idea sparked in 2006 by Dave Lacy, a Fairbanks activist. Since then the project has been moved along by a host of people and organizations, even surviving Dave’s death to cancer. On the eve of its opening the co-op has 1500 members, who have raised nearly $1.6 million dollars. The store has hired 7 employees, and expects to have 19 on staff when they are fully open, but its potential impact is much greater.

More than 90 percent of Fairbanks’s food is imported from other states. All this imported food comes thousands of miles either through one port, or over one road through Canada. Alaska’s agricultural sector is the smallest in the nation and is dominated by small farming operations which can’t get much space in large grocery chains. Rob Leach, the co-op’s board chair, expressed the co-op’s approach in comments to the Fairbanks News Miner, “We need to be locally self-sufficient. If you’re going to wait for government to solve these problems, it’s going to be a long, long wait. We need to do it locally, and we need to do it for ourselves.” The co-op has been the vehicle to do just that. The News Miner pointed out that “[T]he new store has something the other stores never did — a dedicated band of hungry locavores willing, literally, to put their money where their mouths are.”

Not waiting for the government is not the same as not working with government. And the Fairbanks Market has made good use of government resources. Over time they have turned to the Northwest Cooperative Development Center and the Alaska Cooperative Development Program for assistance with basic organization, and have moved on to get more specialized assistance from CDS Consulting and the Food Co-op Initiative. All of these organizations receive support from the USDA Rural Cooperative Development Program. The co-op has also worked with Golden Valley Electric Association, the local electric coop, to set up a revolving loan fund with a grant from USDA’s Rural Economic Development Loans and Grants program. This has let the co-op get the most from its efforts and to overcome challenges more quickly.

The Co-op Market Grocery & Deli is planning a soft opening in March. A formal, grand opening, is planned for later in the spring. In the near future we will see how the store opens opportunities for farmers and ranchers in Interior, Alaska. In the meantime, if you happen to find yourself in the land of the midnight sun, stop by the round building on Galway Street and see the store the people of Fairbanks have built for themselves with some help from USDA.

**CALIFORNIA CENTER FOR COOPERATIVE DEVELOPMENT**

For information, contact Kim Coontz at 530-297-1032 or ekcoontz@cccd.coop

The California Center for Cooperative Development promotes cooperatives as a vibrant business model to address the economic and social needs of California’s communities by providing education, coordination, and technical assistance.

**Using Cooperatives to Transform Communities**

A testament to the adaptive use of the cooperative business model is the upsurge of worker cooperatives developed to create jobs in underserved communities. The California Center for Cooperative Development has embarked on the creation of such cooperatives in two California communities: Richmond, an urban community near San Francisco, and Lompoc, a rural community about 250 miles northwest of Los Angeles.

Besides their urban/rural differences Richmond and Lompoc are surprisingly alike. Both communities have unemployment rates that are among the highest in the nation and both are distinguished by distinct inner-community income disparities. They are also ethnically and racially diverse, with no distinct majority group.

The cooperative model used in each community is a non-traditional build and recruit model. Community members, who may or may not ultimately be cooperative members, are intricately involved in every aspect of development—from business idea, economic feasibility study and launch. Cooperative members enter the cooperative at the very end of the process. This model is used with groups who have very few resources to devote during the development process. Besides financial constraints, the most significant resource target members lack is control over their schedules. They often take casual jobs when they become available or they have jobs that announce work schedules weekly, or more commonly, one day at a time.

Lompoc community members created a video and launched a crowdfunding campaign through the web-based program Indiegogo. They raised more than $7000.
a time. This complicates many aspects of their everyday family lives, and also makes commitment to cooperative development meetings almost impossible.

“In development, CCCD contributes the cooperative development expertise, partners with local community leaders and draws on the best practices from other cooperative incubator programs to create unique opportunities for people who would never have the opportunity to own their own business, or even a secure job that pays living wages,” explains Kim Coontz, executive director of CCCD. “The worker cooperative model offers more than a good job to underserved individuals; the co-op is an opportunity for empowerment, self-development and self-sufficiency.”

Last April, Liberty Ship Café, a healthy food catering cooperative, opened in Richmond. In March, 2013, Green Broom Brigade, an eco-friendly cleaning cooperative will begin business in Lompoc. Potential members are required to complete ten hours of cooperative training to be eligible for membership. In Lompoc, ten initial candidates completed training on decision-making, cooperative finance, reading and understanding financial statements and bylaw education in February.

Both worker cooperatives promote worker equality and incorporate policies established by workers, including wages, patronage, scheduling, and task implementation. Because worker cooperatives are established to create jobs rather than a financial investment for initial owners, the cooperatives will continually invite new participants and provide the same ownership opportunities offered to the original members.

Interest in the development of worker cooperatives as a tool for economic development is growing.

In January, CCCD organized a summit of cooperative developers engaged in such development. The goal of the summit was to begin to develop “best practices” for cooperative development that focuses on creating jobs for the underserved. The summit was supported with funds from two different USDA programs: Small Socially Disadvantaged Producer Grant and the Rural Cooperative Development Grant. The summit created a foundational platform for continued collaboration in perfecting this special form of cooperative development. With the professional expertise and commitment of professional cooperative developers from across the United States we all hope to expand the adaptive use of cooperative development as a job growth strategy.

**COOPERATIVES AND THE RESTORATION ECONOMY**

In recent years massive wildfires have ripped through the West. These fires are unusually severe; the result of poor forest management and the suppression of the low-intensity fires that occurred frequently in those ecosystems and kept the forest “cleared out.”

Now, after decades of gridlock, environmental organizations and the Forest Service are collaborating on restoration projects that return the forest to a more natural state. One such project is taking place in the southeastern Arizona’s Pinaleños Mountains, to reduce the risk of catastrophic fire in the Coronado National Forest, which currently threatens the habitat for the endangered Mt. Graham Red Squirrel and the Mexican Spotted Owl.

**CENTER FOR COOPERATIVE FOREST ENTERPRISES**

For information, contact Harry Groot at 540.639.3077 or harry@nnftp.org

The Center for Cooperative Forest Enterprises (CCFE) is the cooperative development center of the National Network of Forest Practitioners, which carries out a variety of technical assistance, networking, education, and policy projects nationwide. CCFE provides direct support to groups of entrepreneurs in the forest sector, while also partnering with other cooperative development centers and business support providers working on forest- and wood-related projects across the United States.

**Lee Ruth: Certified Cooperative Hero**

Lee Ruth, a key leader in the development of CooperationWorks! will be inducted into the "Cooperative Hall of Fame" on May 8, 2013. The Cooperative Hall of Fame award was established by the National Cooperative Business Association, to honor individuals whose contributions to cooperative business have been genuinely heroic. The Cooperative Development Foundation (CDF) administers the annual award; it is also a vehicle to raise funds for CDF to perpetuate their work and life-long commitment.

While Lee's foundation in cooperatives is a distinguished professional career with agricultural cooperatives, including some 30 years with the Agricultural Council of California, his career is distinguished by his keen ability to discern effective strategies to advance cooperatives of every type.

His leadership helped establish the Center for Cooperatives at the University of California, and the California Center for Cooperative Development. Lee's work on NCBA's National Rural Development Task Force was instrumental in establishing the Rural Cooperative Development Grant, a USDA source of funding for cooperative development that forged the development of CooperationWorks! and fuels the work of its Cooperative Development Centers across the United States.

In his support of Lee's nomination, former Deputy Secretary of the US Department of Food and Agriculture, Rich Rominger wrote "Lee’s conviction and loyalty has been demonstrated over and over again by his innovative leadership in so many roles in the cooperative world.

According to longtime cooperative activist, Judy Ziewacz, "Lee Ruth is a cooperative statesman. He led the fight for resources for cooperatives at the state and national level; he has used his retirement to create cooperatives in new sectors in California and overseas. His quiet, steady demeanor belies his passion for helping people gain economic security, markets and opportunities through cooperatives.”

When deregulation of utilities was underway in California, Lee was at the state capital lobbying for cooperative alternatives. He became a key player in contemporary legislation favorable to electric cooperatives in the state. Lee is also involved in international work. Through his work with ACDI/VOCA he has helped form and support farmer cooperatives in Lithuania.

According to Bob Marshall, General Manager of Plumas Sierra Rural Electric Cooperative, while Lee’s “reputation with agricultural cooperatives and associations precedes him, his contribution to the Rural Electric Cooperatives in California is equally significant. During California’s brief restructuring electricity marketplace, (he) was a key player in the renaissance of the electric cooperative movement.”

Lee Ruth will be honored at the Cooperative Hall of Fame Induction Ceremony on May 8, 2013 at the National Press Club in Washington, DC.
While the Ecological Restoration Project is good for squirrels, owls, and fire safety, it’s also good for the rural communities that surround the forest. CCFE is collaborating with Federal, State, Tribal, and Municipal agency representatives, Environmental NGOs, and local businesses to develop a cooperative sortyard and downstream cooperative enterprises to use the forest products generated from the Project.

The ecological restoration component is managed by the National Wild Turkey Federation. The 10 year-long ecological restoration project was designed with purely ecological objectives; however the potential for growing businesses and creating new jobs using the stream of raw materials spurred the Project Team to invite CCFE to participate. Others collaborating include GilaWoodNet in nearby Silver City, NM, the San Carlos Apache, Saf-ford government, local business leaders, USFS, and the regional SBDC.

CCFE, and a consultant with GilaWoodNet are developing a Woody Biomass Analysis and Utilization Plan to define business development potential. “Currently, 30 product lines have been identified and evaluated for their feasibility,” explains Harry Groot of CCFE. The analyses will next be presented to the community and interested business leaders.

The centerpiece of the venture will be a cooperatively run sortyard where participating businesses will aggregate materials and distribute them to their best use. Currently, the San Carlos Apache are negotiating to buy all sawlogs for their mill. Other local businesses have expressed interest in the lowest-grade material for use in mulch, fuel, and erosion-control products.

One attractive option under consideration is to use some of the woody biomass to fuel a community-scaled, cooperatively-run thermal biomass/cogeneration system to provide heat and power for value added forest products operations, and for sale locally. GilaWoodNet has experience providing fuel for a woody biomass thermal system at a hospital in New Mexico, and CCFE has experience with the Austrian Cooperative Model where producers supply heat and electricity locally, creating income from low-value material.

The San Carlos Woods Workers Collaborative and local firewood retailers are interested in firewood-grade mate-
Agriculture co-op giving more than 300 consumers in the Concord, NH area access to fresh produce through three seasons. Fishermen and consumers in the NH seacoast are adapting the model to a multi-stakeholder Community Supported Fisheries co-op.

These co-ops are part of a series of case studies Cooperative Development Institute (CDI) is putting together. The case studies, along with workshops, will be used to launch a local food systems initiative built on consumer, farmer, fishermen and multi-stakeholder cooperatives that include shared land, facilities, equipment, labor and other resources, engage personal values and provide livable wages and affordable food. To support these efforts CDI is organizing technical assistance and referral partnerships with farm preservation organizations such as the Equity Trust in MA, Land for Good in NH and the Maine Farmland Trust, who are leading efforts to transform how farmland is transferred, owned and used. Financing partners include Co-Bank, Farm Credit, the Cooperative Fund of New England and USDA agencies. These collaborations ensure that potential co-operators are fully supported.

CDI’s food system specialist Lynda Brushett notes that the initiative came about in response to an upsurge in the number of requests for assistance organizing cooperatively run farms. “These folks want to change the region’s food system to one rooted in values, built on community involvement and structured to last…and that means cooperatives.” More than 70 farmers have signed up to attend the first “Stronger Together: Cooperative Farms” workshop in February, at Harvest New England, an annual marketing conference and trade show for farmers hosted by the region’s departments of agriculture.

COOPERATIVE DEVELOPMENT SERVICES
For information, contact Kevin Edberg at 651-287-0184 or kedberg@aol.com

Cooperative Development Services (CDS) supports, builds, and strengthens organizations that contribute to cooperative and sustainable development through consultation and participation in the development, restructuring, and expansion of cooperative organizations in Wisconsin, Minnesota and Iowa.

NorthEast Investment Co-op Prepares for First Project

The NorthEast Investment Co-op is an innovative community development cooperative created to reinvigorate the Central Avenue corridor of Northeast Minneapolis. Incorporated in Spring 2012, the cooperative has grown to 111 members who have each paid $1000 for their membership share; another 22 members have pledged to purchase membership shares. In addition to membership shares, the co-op is offering preferred shares as an additional means of securing member investment.

On December 13, 2012, the co-op launched their first commercial deal by signing a purchase agreement to buy a vacant store building at 2504-06 Central Avenue NE. The plan is to divide the property with a local small business that needs additional room to grow their business, the remaining half of the building will be renovated and made available for lease to another as-yet-undetermined small business. Over $25,000 in preferred shares have been pledged to date in support of this first project.

CDS has provided only very modest assistance in the start-up of this co-op, but we are seeing this model as an innovative and likely replicable approach for citizens to use cooperatives to solve issues of community economic development.

COMMON ENTERPRISE DEVELOPMENT CORPORATION
For information, contact Bill Patrie at 701-663-3886 or bill@cedc.coop

Common Enterprise Development Corporation (CEDC) is a North Dakota non-profit development corporation focused on the development of community-owned enterprises and cooperatives in all sectors.

Farmer and Fertilizer: One Wild Ride into the Future

German scientists Fritz Haber and Carl Bosch combined their understandings to create the Haber Bosch process for making synthetic fertilizer. Nature Magazine said that these two individuals where the most influential persons of the 20th century and rivaled only by the germ theory of disease by Pasteur and Koch for the greatest impact on humankind in the last 200 years. Commercial fertilizer production started using this process in 1913.

By the 1950s farmers across the United States and Canada owned fertilizer manufacturing facilities using this process. The Haber Bosch process makes anhydrous ammonia (NH3) which is the building block for other solid and liquid nitrogen fertilizers. The process combines nitrogen which is taken from ambient air and combined with hydrogen, most commonly taken from methane or natural gas. When natural gas prices spiked in the United States and Canada, fertilizer production using natural gas shut down and fertilizer manufacturing facilities were
developed in those parts of the world where there was stranded natural gas. Over time, farmer owned manufacturing plants were closed or sold and now there aren't any left in the United States or Canada.

With the discovery of the Bakken oil formation in North Dakota, natural gas has once again become plentiful. Prices have fallen to the point that when an oil well begins producing, oil companies flare (burn) the escaping natural gas rather than attempt to capture it. As a consequence, a satellite image of the Bakken at night has a light density of a major urban area.

Common Enterprise Development Corporation has been working with the North Dakota Corn Utilization Council, the North Dakota Soybean Council, and producer groups from South Dakota, Minnesota and the Province of Manitoba to find ways that farmers could once again gain an ownership position in a fertilizer manufacturing facility. The initial feasibility study conducted for the group by North Dakota State University has suggested that a facility located in the upper Great Plains accessing Bakken natural gas would be cost competitive with other manufacturing facilities in the United States and Canada and would likely have a transportation cost advantage supplying the local farmers.

Farmers are currently organizing an equity campaign to convert the feasibility study into a business plan and an offering circular that would raise the money to build and operate a plant or plants. The farmers behind this effort are not alone. Press announcements of major corporate expansions of existing fertilizer manufacturing facilities in the United States and Canada have been frequent occurrences. The largest cooperative in the United States, CHS, has also announced an engineering study for a site in North Dakota.

The feasibility study suggests that the smallest manufacturing plant that is competitive on a cost per ton basis must produce about 750,000 tons per year and would cost up to $1.5 billion. The largest fertilizer companies in the world are SOEs (State Operated Enterprises) so the farmers are facing not only multinational corporations but the Nations themselves. Haber and Bosch started something big 100 years ago—it makes for a wild ride for farmers.
capacity, CEO Mary Donnell estimates the greenhouse, operating year-round, will be able to produce three percent of Northeast Ohio’s lettuce — more than doubling what is currently grown locally.

The Green City Growers Cooperative joins the Evergreen Cooperative Laundry and Evergreen Energy Solutions as the third business in the growing Evergreen Cooperatives network.

Modeled in part after the Mondragon Cooperatives in Spain, the Evergreen initiative was launched in 2008 by the Cleveland Foundation, the city of Cleveland, and major area non-profit medical and educational institutions together with the Democracy Collaborative and the Ohio Employee Ownership Center, with the goal of building community wealth in the Greater University Circle neighborhoods.

By leveraging the procurement power of anchor institutions, each of the three cooperatives in the network is not only creating much needed living wage jobs with health benefits in traditionally economically marginalized areas of the city, but making those jobs cooperatively owned in order to maximize neighborhood-level equity and foster community stability. An overarching non-profit structure knits the individual businesses into a comprehensive place-based strategy for economic development, with each cooperative returning 10 percent of its profits to a central loan fund to help launch new businesses in the network. The success of the Evergreen model for building worker-owned green jobs in the communities that need them most has inspired cities like Atlanta, Pittsburgh, and Washington, D.C. to begin the process of adapting the model and launching their own networks of community wealth building cooperatives.

**FOOD CO-OP INITIATIVE**

For information, contact Stuart Reid at 507-664-2034 or stuart@foodcoopinitiative.coop

Food Co-op Initiative is a support system that seeks to enable a faster and more efficient start-up process for retail food co-ops.

**Online Resources Meet Needs of Growing Food Co-op Sector**

FCI has a lot planned this year, collaborating with other centers on regional training events, publishing new toolboxes, and kicking off a new, monthly webinar program. FCI is now in contact with over 100 communities with active retail food co-op startup efforts and are supporting almost 1/3 of them with Seed grants and more intensive consultation. The small staff at FCI is leveraged by expanding the on-line library and delivery systems and encourages other centers to use those resources freely.

One of the most exciting plans in 2013 is the sponsorship of a Food Co-op Development Summit. About ten years ago, the recent wave of new food co-op development began and the support community took notice. Food Co-op 500 was formed to share the knowledge and resources that already existed so that co-op organizers would not have to reinvent the wheel. Three years ago FCI was incorporated as a non-profit and joined CWI as a USDA-supported development center. A lot of other things have happened in that time, including the growth of other food co-op support systems and the opportunity to observe over 60 new food co-ops as they progressed through store openings.

The FCI board of directors recognized the imperative to focus their resources and ensure FCI is providing the best, most coordinated support to startup food co-ops. Toward that goal, FCI is working with representatives from NCB/NCB Capital Impact, CDF/Howard Bowers Fund, NCGA, and the CDS Consulting Co-op to assemble the key stakeholders in new food co-op development to look at the FCIs past, present and future. The goals are to better align the available industry resources to support and promote the growth of food co-op development in the United States, to celebrate our successes over the last 10 years, and to create a strategy for future development. FCI looks forward to a stimulating and productive discussion and will share the outcomes with all interested developers.

**INDIANA COOPERATIVE DEVELOPMENT CENTER**

For information, contact Debbie Trocha at 317-275-2247 or dtrocha@icdc.coop

The Indiana Cooperative Development Center (ICDC) is committed to providing a range of innovative, results-oriented, and cost-effective services to cooperatives and related organizations statewide.

**WOLF Cooperative, The Next Phase**

The Wolcottville Organic Livestock Feed (WOLF) Cooperative was organized from the vision of over 80 producers in March of 2011. These active community participants were concerned regarding the sustainability of the Wolcottville Organic Feed Mill as their futures were dependent on the ability to obtain high quality organic feed for their farming operations. The continued operation of the mill it thus viewed as a key to the expansion of the area’s organic dairy/livestock industry and the profitability of producers.

The vision of WOLF cooperative is to secure, for future generations, the availability and price stability of high quality organic livestock feed and supplies for the community.

After just under two years of work, WOLF closed on the purchase of the Wolcottville Organic Feed Mill in Wolcottville, Indiana on February 13, 2013. Funding came from the equity drive that drew 64 members of both Class A and Preferred Stock, an Organic Valley - CROPP Cooperative loan, a member loan and traditional bank financing from Farmer’s State Bank under the Community Development Act. WOLF employs a General Manager to direct day to day operations, two part time administrative assistants and four full time employees.

WOLF Cooperative has utilized all seven cooperative principles in achieving their goal: Voluntary and Open Membership; Democratic Member Control; Member
Economic Participation; Autonomy and Independence; Education, Training and Information; Cooperation among Cooperatives; and Concern for Community.

Cooperation among Cooperatives is reflected in the WOLF and Organic Valley (OV) partnership. Organic Valley has provided many benefits for WOLF in addition to providing funding for the initial purchase. OV provided guidance and support during the two year organizing phase. In addition, Organic Valley has an expressed Memorandum of Understanding working with WOLF in helping to secure organic feed sourcing for OV members.

WOLF Cooperative will provide economic activity and provide sustainability within the organic community for years to come throughout their service area. By providing this service, WOLF has helped to secure the future of the small family farm.

KENTUCKY CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT

For information, contact Larry Snell at 270-763-8258 or lsnell@kcard.info

The Kentucky Center for Agriculture & Rural Development (KCARD) fosters business success and growth by developing and delivering technical assistance and by providing educational opportunities for agricultural and rural businesses seeking to enhance their economic opportunities in and around the Commonwealth of Kentucky.

Assisting with Grant Success for Kentucky’s Agribusiness

The Kentucky Center for Agriculture and Rural Development’s Agribusiness Grant Facilitation Program is hosting a series of workshops across Kentucky this winter and spring to assist producers and rural businesses develop grant preparation strategies and identify grant opportunities.

“Many farmers and rural businesses have questions about grants, ranging from what funding opportunities are out there to what type of projects different grants fund,” explained Aleta Botts, Agribusiness Grant Facilitation Program Coordinator. “These workshops provide them a chance to have their questions answered, learn more about the process, and think strategically about whether particular grant programs might make sense for their farming operation or business now or in the future.”

Each workshop brings together a variety of speakers based on their with experience with grant programs to present to participants the basic strategies for navigating most grant applications, at the national, state, and local levels. The workshop is designed to provide individuals with an opportunity to learn how to search for grants, how to prepare strong applications, as well as how to connect with other resources available for their operations.

Along with successful grant writers and grant recipients, the workshop also brings together individuals from USDA, the Kentucky Department of Agriculture, the Kentucky Governor’s of Agricultural Policy, Kentucky State University and the University of Kentucky to expose participants to the different programs and services offered by these partners,” said Botts.

The Kentucky Agribusiness Grant Facilitation Program, funded by the Kentucky Agricultural Development Board and led by the KCARD, aims to help agricultural producers and rural businesses in Kentucky learn about, apply for, and receive funding available through numerous programs.

As a statewide organization, KCARD works with rural businesses and agribusinesses across the Commonwealth to provide specialized assistance increasing the chances for success. Along with the Agribusiness Grant Facilitation Program, KCARD provides a range of services to their clients including strategic planning, business management, operations analysis, recordkeeping development, cost analysis, and on-site business consultations.

To learn more about the Kentucky Agribusiness Grant Facilitation Program visit www.growkentuckyag.com. To learn more about KCARD visit www.kcard.info and like us on Facebook at www.facebook.com/KentuckyCenterforAg.

KEYSTONE DEVELOPMENT CENTER

For information, contact Cathy Smith at 814-687-4937 or smith@kdc.coop

The Keystone Development Center is a non-profit corporation dedicated to providing technical and research assistance to groups who wish to organize as cooperatives in the multi-state area of Pennsylvania, Maryland, New Jersey and Delaware.

Fostering Growth and Partnerships in the Local Food System

The Keystone Development Center primarily develops cooperatives that are part of local food systems. Food system development is one of KDCs major goals as they allocate scarce resources for cooperative development. On one end of the food system, KDC works with farmers to form supply and marketing cooperatives. One of the biggest success stories is the Lancaster Farm Fresh Cooperative (LFFC). LFFC markets mostly organic fruits and
vegetables grown by Amish farmers in Lancaster County, Pennsylvania. The business has grown into a multi-million dollar business, having out grown its warehouse facilities three times already. They now employ over 30 full and part-time employees.

On the other end of the food system, KDC works with both start-up and operating food cooperatives that specialize in sourcing locally produced foods. KDC was instrumental in incubating the MidAtlantic Food Cooperative Alliance (MAFCA). This is an organization of food cooperatives from the several MidAtlantic states. KDC continues to provide a local facilitator to the group. The organization currently has 22 food cooperative members from Pennsylvania, Maryland, New Jersey, New York, and Virginia. Their combined sales total nearly $106 million. It is estimated that they are selling a combined $17 million in local food products. Ten of the members are start-up cooperatives. MAFCA provides a venue for sharing lessons learned.

MAFCA also provides a point of connection for the development of marketing channels. Recently as part of KDC’s work with clam growers in New Jersey they surveyed the MAFCA members about their current and potential shell-fish sales. Eleven food cooperatives responded to the survey with valuable information for the clam growers to develop their cooperative marketing strategies. After the survey results were analyzed, KDC organized a combined meeting with the clam growers and food cooperatives. Using a combination webinar and face-to-face meeting format, they presented the results of the survey to the combined group and facilitated discussion about the key points. As a result, the clam growers were energized and the food cooperatives excited about the market potential.

KDC is currently providing feasibility studies for three food cooperatives, all looking at increasing access to local foods. One of the challenges a food cooperative faces when selling local foods is the “unorganized” distribution system for local products. The farms tend to be small scale and, unless the farm is part of a marketing cooperative or other coordinated effort, the ordering and distribution systems can be cumbersome – especially for a start-up food cooperative. For the three start-up food cooperative clients, KDC is attempting to bring them together early in their development process to synchronize their local-food sourcing strategy. “If all three cooperatives worked together to coordinate their orders, this could lead to efficiencies both in ordering and transportation” explains Kate Smith, KDC executive director. At least one of the start-ups is considering adding a warehouse to their retail location to act as a local food aggregation point and “meta” CSA pick-up point. Toward this end, KDC has organized a tour of existing food cooperatives in the Philadelphia area for these three start-ups. Two leaders from each group have been invited to the tour. This will help them understand the “end game” and challenges of their cooperative start-ups and will also network the three cooperatives together with the hope of further organized purchasing down the road.

Clam growers meet product buyers and managers at the Swarthmore Food Cooperative to learn more about how best to market their products.

photo: courtesy of Swarthmore Food Cooperative

NEBRASKA COOPERATIVE DEVELOPMENT CENTER
For information, contact Jim Crandall at 308-995-3889 or crandall3@unl.edu

The Nebraska Cooperative Development Center builds a strong, engaged, and sustainable network of people with access to local, state, and national resources, dedicated to allowing people to prosper in rural Nebraska by helping them to work together to increase their incomes via cooperative development, and to help facilitate “value-added” opportunities.

Elwood Hometown Cooperative Market Opens for Business

The loss of a grocery store in a rural community can be a devastating blow, especially when it is the only, or at least major, source of local groceries. Not only do people then have to travel farther and expend more time and money to get their groceries, but it can also be a serious blow to community pride and make it harder to attract new residents and businesses.

Elwood Hometown Cooperative Market Opens for Business

Members of the Elwood Cooperative walk the aisles at the soft opening.
When the only grocery store in Elwood, Nebraska closed in January of 2012, community leaders quickly responded, organizing a community meeting to consider opening a cooperatively owned grocery store. Jim Cran dall of the UNL Nebraska Cooperative Development Center (NCDC) was the primary speaker at this first meeting, to explain the concept of community ownership as a cooperative. The meeting attracted more than 100 people, almost all of whom felt that a grocery store was vital to the future of their community. Prior to and following the initial meeting, community leaders developed and distributed a survey to gauge interest in opening a co-op grocery store. The community response showed widespread support for the concept. A committed, hard-working steering committee was formed to begin the process of studying the feasibility of a grocery store, the cooperative business model, and creating pro-forma financials.

The 10 member steering committee formed subcommittees that focused on facilities, business and finance issues, and incorporation options with NCDC providing guides and outlines for each subgroup. Expert advice was sought from a local attorney, insurance agents, former store owners, neighboring stores and managers of grain co-ops in nearby towns (one grain co-op also owned a grocery store). Ideas were also sought from cooperative accountants, area economic developers and grocery suppliers. A financial plan was developed for remodeling the store, and progress and information was shared at two more community-wide meetings. All indications still showed continued support for opening the new grocery store.

The steering committee received a small grant from the NCDC to help with organizational costs such as attorney fees, brochure printings, and mailings. The committee met weekly or bi-weekly as a group, with subcommittees meeting at additional times to move the process forward quickly.

The cooperative was incorporated in May 2012 as the Elwood Hometown Cooperative Market. The steering committee, now Board of Directors, conducted a membership drive to capitalize the new business allowing them to purchase and remodel the former store location, hire a manager and purchase the inventory. Over 125 people bought ownership shares in the cooperative and new members are still being added to the ownership base. Coop members, Board members, and other volunteers were involved in the remodeling of the store, installing coolers, freezers and shelving. Board members, coop members, and volunteers scanned inventory and stocked all the shelves in preparation for opening. The Market has been advertising their opening locally and through social media with their Facebook page, www.facebook.com/ElwoodHometownCooperativeMarket.

The Elwood Hometown Cooperative Market celebrated their official “soft” opening on February 3 with a preview of the new store for coop members and donors. The store opened for business to the general public on Monday, February 4. The market plans to have a Grand Opening this spring to include a ribbon cutting and additional activities.

NORTH DAKOTA RURAL ELECTRIC & TELECOMMUNICATIONS DEVELOPMENT CENTER

For information, contact Lori Capouch at 701-663-6501 or lcapouch@ndarec.com

The North Dakota Rural Electric & Telecommunications (RE&T) Development Center adds new wealth to the economy by creating, retaining, and expanding rural cooperatives and other primary sector business enterprises.

Rockview School for Tots

When word got out that the Good Samaritan Society donated their retirement home to the city of Parshall with plans to build a daycare facility, a collective sigh of relief could be heard throughout the community. Area parents hoped that their daycare dilemma would soon be solved. Like most parents, Kayla Marinov and her husband, Ves, will say that their son, Tristan, is their world. With his beaming brown eyes, inquisitive nature, and comical half-smirk, half-smile, he tugs at your heart strings only seconds after meeting him. And when Kayla picks him up from the Rockview School for Tots, some days he wants to stay at the daycare rather than going home. But instead of feeling stubbed, Kayla is delighted because not so long ago she and her husband, Ves, had few daycare options.

A little more than a year ago, Kayla, an accountant for a local certified public accounting firm and Ves, a deputy sheriff in Mountrail County, had Tristan’s name on several daycare waiting lists. The problem was they knew the wait could take years.

With no alternatives, Kayla called on both Ves’ parents and her parents to help tend to Tristan. Kayla loved that her son would get to bond with his grandparents by staying at their home, but there were snags — the five-hour drive from Parshall to Fargo and even worse the time spent apart from Tristan.

Each weekend Kayla or Ves would drive to Fargo so that Kayla’s parents could care for him during the week while they both went back to Parshall to work. On weekends they drove the one-way, five-hour commute so they could see Tristan. He would stay with his grandparents for two weeks at a time.

Fortunately for the Marinovs that all changed on Feb. 1, 2012, when Tristan and 17 other children walked through the doors of the newly formed Rockview School for Tots — a non-profit daycare facility located in the former Good Samaritan Society Nursing Home in Parshall.

Connie Rood, the daycare director and Wendy Wohlk, Kayla Marinov and her son Tristan, 3, are overjoyed with the childcare provided by the Rockview School for Tots in Parshall, ND.
daycare business manager, not only bring experience and business savvy to the table, they bring extra care and compassion as grandmothers. Rood is a retired teacher who taught school in the area for 38 years and Wohlk not only directs the business of the daycare, she doubles as the building manager for Rockview Plaza. In addition to Rood and Wohlk, the daycare staff also includes four full-time and employees and one part-time employee making the child-to-caregiver ratio of three to one. The group daycare facility current cares for 18 children.

Rood says that even though they were able to accommodate a number of families in the community that about 10 children are on the daycare’s waiting list.

The Good Samaritan Society donated the 28,000 square-foot building to Parshall 2000, a non-profit development corporation. Parshall 2000 networked with the North Dakota RE&T Development Center for technical assistance throughout the development phase. At the start of the development, the University of Mary conducted a feasibility study for repurposing the building. One of the greatest needs identified was daycare. All along the way, community input has been sought to identify ways the building space could best serve the community.

The plan also called for a community restaurant, a telepharmacy, and senior co-op housing. With the restaurant, telepharmacy and daycare center in place, plans are underway for the development of senior housing.

NORTHWEST COOPERATIVE DEVELOPMENT CENTER
For information, contact Diane Gasaway at 360-943-4241 or diane@nwcdc.coop

The Northwest Cooperative Development Center (NWCDC) is a nonprofit organization devoted to assisting new and existing cooperative businesses—from day care centers to credit unions—by providing access to information and tools that will enable effective governance and management.

Worker Ownership Brings More than Just Jobs

In keeping with their values, a special discussion is taking place around the new co-op’s governance structure. Cooperatives are based upon participatory, democratic governance. The worker-owners of the Blue Scorcher business have embraced a specific form of participation and governance, Dynamic Governance, which uses a system of governance circles and consent-based decision making.

In 2012, the newly reorganized Scorcher Artisan Co-operative purchased the bakery and café business. Five workers are now co-owners who have invested in their cooperative business. Their jobs are aimed toward a broader form of wealth: Joyful work, delicious food, and strong community.

To learn more about the Dynamic Governance model, visit www.dynamicgovernance.com

ROCKY MOUNTAIN FARMERS UNION COOPERATIVE AND ECONOMIC DEVELOPMENT CENTER
For information, contact Bill Stevenson at 303-283-3549 or bill.stevenson@rmfu.org

The Rocky Mountain Farmers Union (RMFU) Cooperative and Economic Development Center provides technical assistance and funding to rural groups to create marketing, processing, or service cooperatives such as local food or energy programs.

New Co-op Curriculum in Seminary Course

The staff of Rocky Mountain Farmers Union’s Cooperative Development Center (RMFU), was wondering recently: How about a seminary course on the philosophy and development of cooperatives?

Just think of the benefits for both. It would promote an alternative economic model that fits very well with the focus on service that is usually part of a seminary’s curriculum. It would introduce folks who hope to have careers in social justice to the prospects offered by the cooperative model. It’s a chance to get creative ideas for cooperative development from individuals who were not formerly familiar with co-ops. And it would bring the cooperative message to hundreds, even thousands, of congregants who can in turn use the model throughout their communities.
Worker cooperatives are popping up everywhere - from Cleveland’s Evergreen project to direct care workers to the recent expansion of cooperatives in the tech services sector. The US Federation of Worker Cooperatives, the only national membership organization for worker cooperatives with over 100 workplace members, has not only been a critical part of this growth, it’s growing along with them.

In eight short years, the USFWC has built a broad membership base, committed leadership and strong networks, along with a reputation for creating effective, innovative programs that leverage the strengths of its membership to support growth in the worker cooperative sector. It provides technical assistance, access to financing, and models and information-sharing to support strong worker cooperatives.

To meet growing demand for its services, the USFWC recently expanded its capacity thanks to a Rural Cooperative Development Grant from the USDA. The grant will help USFWC establish a cooperative development center to support the growth of worker cooperatives in rural areas. The Rural Cooperative Development Grant is part of a very intentional capacity-building plan for the US Federation, which is still a young organization. The funding takes the organization to the next level and builds on its very real strength, its members, to expand support and advocacy on behalf of all worker cooperatives.

Activities funded by the grant include the expansion of the USFWC’s innovative DAWN peer advisor training program to include rural cooperators, provision of technical assistance to rural worker cooperatives and startups, and development of resources and trainings. USFWC is working with several key organizational partners — many of them members of Cooperation Works! — to connect to the great cooperative development work already happening, and expand the reach of worker cooperatives in this work.

The RCDG award comes at a time when interest in the worker cooperative model is on the rise throughout the country. USFWC has several projects in the pipeline:

- Support for an employee buyouts of two successful businesses growing from sole proprietorship to worker cooperative
- Business planning support for a small farm business to incorporate as a worker cooperative
- Technical assistance for a small town worker-owned Main Street café
- Support for a national organization of community radio
stations to set up new stations in rural areas using the cooperative model

- Partnership with Vermont Employee Ownership Center to support a retiring business owner selling the business to employees
- Partnership with NW Cooperative Development Center and Cooperative Development Foundation to create trainings for direct care workers to organize worker cooperatives.
- Expansion of the DAWN Training program for worker cooperators to become peer advisors
- Development of support materials, including an update of the Worker Cooperative Toolbox
- Research on the scale and scope of the worker cooperative community in the United States

As worker cooperatives continue to grow, both as individual enterprises and as anchored networks of businesses, USFWC staff sees the organization expanding in both rural and urban areas. Communities increasingly see worker cooperatives as a viable and powerful tool for community-led economic development.

Much of the technical assistance provided by the USFWC comes from successful worker cooperatives and cooperators themselves. “Worker cooperative enterprises do not exist in isolation,” says Rebecca Kemble, USFWC President. “The USFWC provides the organizational base for the regional, national and international networks that are so essential for the health of each worker coop and the community as a whole.”

For more information about the USFWC, see www.usworker.coop.

CDS CONSULTING CO-OP is dedicated to building and strengthening cooperative businesses through assessment, planning, resource access, training, coaching, support, and continuous improvement.

Below are upcoming trainings sponsored by CDS Consulting.

**CDS Consulting Co-op** is offering a number of in-person sessions this spring. These one-day events give food co-op board members and managers around the country opportunities to participate in meaningful exchanges with each other. At the CBL 101, Leadership Training, and Strategic Co-op Seminars, participants gain practical tools for governing their food co-ops and engaging with their local communities.

In our time-pressed world, experiences like this are not only unique, but have user-friendly value for sharing the co-op model with increasing numbers of people. Please join us!

The **Strategic Co-op Seminars** build common understanding and alignment at individual co-ops and among co-ops. Seminars are highly interactive and will concentrate on understanding issues related to growing our co-ops and the impact our co-ops make in their communities. Thanks to sponsorship by the National Cooperative Grocers Association, the cost to attend the Strategic Co-op Seminar is $45 per person with a $300 cap per co-op.

**Strategic Co-op Seminars** being offered this Spring are:

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<th>Date</th>
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<tr>
<td>March 2, 2013</td>
<td>Asheville, NC</td>
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<td>March 9, 2013</td>
<td>Eau Claire, WI</td>
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<td>March 16, 2013</td>
<td>Brattleboro Area (Putney, VT)</td>
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<td>TBD (Fall 2013)</td>
<td>Albuquerque, NM</td>
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<td>TBD (Fall 2013)</td>
<td>Ann Arbor, MI</td>
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This Spring they are being offered here:

March 23, 2013 Portland, OR

To register for any of these events: cdsconsulting.centraldesktop.com/cbld/doc/20785406

The **Cooperative Board Leadership 101 (CBL 101)** and **Leadership Trainings** are in-person, one-day, multi-co-op sessions designed for co-op board members and top-level managers. CBL 101 is especially helpful for those new to co-op boards, although all directors, top-level managers, and board candidates are welcome to participate. The Leadership Training provides training to help board members incorporate the strategic process into the board’s work plan, build more effective teams, and develop themselves as board leaders in order to provide strong leadership for co-ops. Board chairs, general managers, and others interested in board leadership are encouraged to attend. CBL 101 and the Leadership Training are offered on the same day at the same location.

The CBL 101 or the Leadership Training are features of the CBLD program and there is no charge for attendance for Co-ops enrolled in the program. Not in CBLD? Contact us at CBLD_events@cdsconsulting.coop for more information about the sessions and CBLD.
COURTNEY BERNER
For more information, contact Courtney Berner at 608-890-0966 or cberner@wisc.edu.

Courtney is an Outreach Specialist at the University of Wisconsin Center for Cooperatives where she conducts research on the cooperative business model and provides various types of technical assistance to existing cooperatives and to groups interested in pursuing cooperative business activities.

University of Wisconsin Center for Cooperatives Works with Rural Community to Avert Grocery Store Loss

What do you do when the only grocery store in your town decides to close? A cooperative buy-out and conversion may offer a solution.

Phil’s Supermarket, a family-owned and operated grocery store, has been a fixture in Plain, Wisc., population 773, for over 90 years. In the last few years, however, the family owners had decided it was time to sell the business. After a few unsuccessful bids to sell the store to private buyers, shutting down the business appeared to be the only option.

Fortunately, there was community interest in maintaining this downtown anchor business and a local economic development professional who saw the potential for converting the business to a community owned store. The executive director of the Sauk County Development Corporation, who had attended the Madison Cooperative Jobs Conference in June 2012, began to explore a cooperative solution to save Plain’s only grocery store. He contacted UWCC’s Courtney Berner, who over the course of the summer met with community leaders to introduce the cooperative model, explore how a conversion of the grocery business to a cooperative might work, and facilitate the formation of a steering committee and task forces for the project. A community meeting in December of 2012 generated strong community support for the idea of a cooperative grocery store and within a few weeks nearly 200 people had pledged to become members. Many also expressed a willingness to make a loan to a new cooperative venture and offered to volunteer on the project.

Courtney continues to work with the four task forces that have been set up to tackle the financial, marketing, operational, and structural issues involved in a potential buyout and conversion. Two other grocery co-ops in the region have expressed willingness to provide technical support for a conversion to a cooperative grocery store structure.

The community is hopeful that the resources, skills, and common vision evident so far bode well for developing a cooperative solution to a problem all too common in rural communities across Wisconsin.

JOB GROWTH, cont. from page 1

2011. Additionally, Centers assisted their clients in securing a total of $79,738,949 in Federal funds between 2009 and 2011 (this amount includes a $69,330,000 federal loan secured by one Center to start a health care cooperative). The Value-Added Producer Grant Program (VAPG) was the most common.

Centers typically work with clients for multiple years, but rely on annually awarded Federal grants (RCDG) as a significant portion of their annual revenue. The Centers who have received RCDG awards for five or more consecutive years developed more businesses and impacted a greater number of jobs in 2011, than Centers that did not receive five consecutive RCDG awards. This funding stability allows some Centers to work more effectively with their clients. Additionally, Centers with five or more years of consecutive RCDG funding are better able to leverage a greater diversity of non-RCDG revenue sources.

The impact of CW Centers reaches beyond new co-op development and job creation. In 2011, the median CW Center used Federal or matching funds to provide effective assistance to 85 businesses; 91 percent of these businesses were rural businesses. Additionally, Centers offer non-job benefits such as housing development and providing training and education — three Centers creating 780 units of housing.

Behind the Statistics, Measurable Impact for Real People

CooperationWorks members strive to make this country more economically equitable by creating jobs and economic self-sustainability. They do this efficiently and effectively, through leveraging RCDG funds and other grants with member-owner investment, and other public and private resources. The stories within this newsletter personify the statistics, revealing how lives and communities have changed in meaningful ways.

How, with the development of a new daycare center and the creation of six jobs in Parshall, ND, the Marinovs’ son no longer has to live five hours away with his grandparents because adequate daycare was not available in the Parshall. (see pg. 12)

How a forestry restoration project has led to identifying 30 different products from forest byproducts, resulting in new businesses and job growth in the Southwest. (see pg. 3)

How CW member, Food Coop Initiative with a small staff of three, is in contact with over 100 communities with active retail food co-op startups and has produced a number of online resources to reach more people and have a greater impact. (see pg. 7)

How food systems in the Northeast are being redesigned by farmers and consumers, giving consumers access to fresh fruits and vegetables, and small farmers stable and steady employment. (see pg. 4)

How worker co-ops in California (see pg. 2) and Ohio (see pg. 6) have given an under-employed population economic stability that is leading to a stronger community.

Read more within about the positive impact co-ops are making on the economy, within communities and for families and individuals.