New Co-op Strengthens Community

Interest in multi-stakeholder cooperatives is growing as communities across the nation seek to expand local food infrastructure. Greg McKee, director of the Quentin Burdick Center for Cooperatives at North Dakota State University and Cooperatives Community of Practice on eXtension vice chair, highlighted the values of multi-stakeholder cooperatives as a guest speaker at the CW annual meeting last October.

Many CW members had an opportunity to visit with Rick Beckler, Sacred Heart hospital's own community. He recognized the carbon footprint of globetrotting food and the likelihood that he was buying foods treated with preservatives to extend shelf life. He wanted healthier food for the people eating at Sacred Heart and recognized the locally grown beef, pork, poultry and produce as part of his patients' recovery and a contributing factor to the well-being of employees and guests.

Rick Beckler, Sacred Heart hospital's own community, wanted the healthiest foods available served at the Eau Claire, Wis., hospital. So, in 2008 he gave his hospitality service director the directive to begin buying local food for the institution’s kitchen. The directive stemmed from Ronstrom’s belief that healthy, fresh nutritional foods are part of the healing cycle of the patient. He was tired of sending the hospital’s money around the country and beyond to truck in food that could be grown and raised better by people in the hospital’s own community.

Principles that Guide Cooperatives Also Support Community Well-being:

Stephen Ronstrom, Sacred Heart Hospital CEO, wanted 10 percent of the hospital’s food budget was committed to purchasing local food products and he used that to publicly challenge growers and producers to get the quantities of product needed by the hospital on an ongoing basis.

“...I knew I couldn’t just show up at the farmers market and buy 1,500 pounds of ground beef,” Beckler said. The other thing he knew was 10 percent of the hospital’s food budget was committed to purchasing local food products and he used that to publicly challenge growers and...
Arkansas Rural Enterprise Center

For information, contact Donna Uptagrafft at 501-280-3078 or duptragfftt@winrock.org

The Arkansas Rural Enterprise Center (AREC), a division of Winrock International, expands jobs and income in rural Arkansas and the surrounding region by providing the guidance and consultation necessary to ensure profitable, functioning cooperatives.

Six cooperatives formed since 1992

The Arkansas Rural Enterprise Center (AREC) at Winrock International is dedicated to the development of cooperatives and small businesses in the mid-South. Since 1992, AREC has assisted in the development of six cooperatives, and provided supportive services to more than 2,000 clients and cooperative members.

Small businesses are the livelihood of economic development, particularly in rural areas. AREC’s mission is to improve the economic condition of rural areas by helping members of cooperatives and mutually-owned businesses increase their incomes. In 2011, AREC will focus support on two industries: poultry production in southern Arkansas and vegetable production in eastern Arkansas.

Poultry production: AREC will work with a group of poultry producers in extreme southern Arkansas. In the spring of 2009, Pilgrim’s Pride, the largest poultry company in the United States, ceased all operations in Arkansas, including providing young chicks, feed and other inputs to their growers, and all processing of the grown birds. A group of 40 farmers were faced with the possibility of losing their farms to bankruptcy if they could not resolve their financial issues soon. AREC will conduct a feasibility study for the new cooperative; provide training in co-op organization, board governance and operations best practices and assist in developing and new markets and products.

Vegetable production: A group of six women is attempting to change their economic condition by developing an employee-owned vegetable production small business. This group of women works in a sweet potato storage and curing facility in rural Marvell, Ark. As this work is mostly seasonal, the women became determined to increase their own income by producing purple hull peas for wholesale to another local business that shells, packages and markets the product, and providing product for direct sales into the local and regional market. AREC is working with these women to locate access to equipment for cleaning, processing and bagging the final product. To ensure success for this small, disadvantaged group, AREC will provide training opportunities, business development mentoring and business incubation.

Access to capital: For all small businesses to succeed, they must have access to capital. AREC is developing an investor group dedicated to supporting value-added agriculture and cooperative development in the mid-South. The investor group provides a forum for cooperatives and other value-added producers in Arkansas and the mid-South to present business plans, capital needs and other business startup needs.

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 or community-owned enterprises and cooperatives in all sectors.

CEDC providing community development

In October 2010, CEDC signed an agreement with the Washburn Area Economic Development Association to provide community and economic development services two days a week to this community of about 1,100. Washburn, located 43 miles north of Bismarck, is experiencing significant decline, particularly in the school-aged population. CEDC’s work includes the establishment of a recreation center in affiliation with a Bismarck YMCA; the reactivation of a development effort for a day-care center; establishing diversity training curriculum for Washburn residents; and developing aging-in-place cooperative housing for seniors.

Staff recognition: CEDC staff member Becky Bowen was recognized by the Economic Development Association of North Dakota as an Outstanding Professional Developer of 2010. The award is for her work two days a week in Underwood and its 740 residents. In a little more than 12 months, results include five new businesses on Underwood’s Main Street; a home construction business that has resulted in four new housing starts; a new Web site; the development of several new incentive programs for businesses and new residents; and the implementation of an annual Beatification Day. Almost 30 jobs were created or saved by the time 2010 came to a close.
“Underwood has learned that is not a dying community, but rather one with great potential for growth,” says Bowen. “This revelation has given the city the hope and belief that it can rebuild.”

Bowen also received a “Certificate of Appreciation” from the North Dakota office of USDA Rural Development for her work under the USDA 504 Home Repair Grant Program. Because of her extra efforts, 14 low-income homeowners received $105,000 in grant funds to make critical improvements to their homes.

Rural health care: CEDC and one of its projects, the Wilson Health Planning Cooperative, arranged and hosted a one-day training session on the business methodology of Appreciative Inquiry (AI) in November 2010. Leading the training were Tony Lingham and ‘Alim Beveridge from the Weatherhead School of Management at Case Western Reserve University at Cleveland.

“Appreciative Inquiry is based on the assumption that what we talk about becomes reality,” says Bill Patrie, CEDC’s executive director. “So, rather than focusing on what is wrong with the health care system, which will lead to finding more problems, we are learning to ‘appreciate’ what is best and find and discover more of what works and what is good.”

Follow-up Appreciative Inquiry training sessions are scheduled for April 6 and 7 at New Town, N.D., tribal headquarters of the Three Affiliated Tribes.

“Members of the Mandan, Hidatsa, Arikara Nation will be invited to learn about Appreciative Inquiry so they can become leaders in changing the future,” says CEDC staff member Susan Davis. In addition, those who attended the previous AI training will be invited back to learn the results of the AI interviews they conducted that focus on empowered community action, unity in diversity and transformational health care.

CEDC is helping the Wilson Health Planning Cooperative design a new integrated health care system in 11 North Dakota counties. The area includes the Fort Berthold Reservation, where tribal members receive health care through Indian Health Service. Preliminary results of meetings held in the 11 counties show that residents dream of a health care system that is or has: 1) Available to all; 2) local; 3) abundant providers; 4) diverse; 5) affordable; 6) high quality; 7) family medicine; 8) efficient; 9) preventive care; 10) home health care and hospice; 11) medical research; 12) dental care; 13) passionate providers; 14) independent; and 15) cooperative.

As part of the learning, CEDC is also leading the planning for a health care cooperative learning tour. The tour group will visit Group Health Cooperative at Seattle and Benewah Medical Center at Plummer, Idaho. The learning tour and the AI training are being partially funded by a grant from Northwest Area Foundation.

Delores White, left, a Wilson Health Planning Cooperative board member and tribal member of the Mandan, Hidatsa, Arikara Nation, shares a positive story with ‘Alim Beveridge of Case Western Reserve University during the November 2010 Appreciative Inquiry training session.

ACE Institute: As part of its administrative contract with the Association of Cooperative Educators (ACE), CEDC staff member Sarah Pike has been working on arrangements for the 2011 ACE Institute. This annual event, which draws cooperative developers and educators from across the United States, Canada and Puerto Rico, is scheduled for July 26-29 at Winnipeg, Manitoba.

This year’s Institute will feature presentations on new co-op curriculum at the college level, strategic planning for co-op businesses, the latest movement at college campus where students are starting local food co-ops and taking control of their local food system, new tax credits for co-operative development, and much more.

Did you miss CooperationWorks’ recent webinars on shared services cooperatives, feasibility studies and multi stakeholder cooperatives?

Don’t worry! Find the webinar recordings online at www.cooperationworks.coop
COOPERATIVE DEVELOPMENT INSTITUTE

For information, contact Noemi Giszpenc at 413-665-1271 or ngiszpenc@cdi.coop

The Cooperative Development Institute (CDI) increases economic opportunities and benefits for people in the Northeast by fostering the growth and success of all types of cooperative enterprises by providing education, training and technical assistance to existing and start-up cooperatively-structured enterprises.

CDI helps launch Creating Cultivate.coop

In 2010, CDI worked with an emerging worker cooperative, the Toolbox for Education and Social Action (TESA), to launch a new effort called Cultivate.Coop (http://www.cultivate.coop), which aims to help democratize our economy and workplaces by democratizing knowledge. CDI has found that one of the largest barriers for people in setting up cooperatives is a lack of knowledge on the subject, a lack of exposure to the concept of democratic participation, as well as a lack of free, accessible and interactive resources on cooperatives and cooperation. These skills and knowledge are not taught in schools, and training tends to be expensive.

For people to teach themselves and each other about cooperatives and cooperation, they need cheap, accessible, high-quality and relevant content and tools. One of the best ways to deliver these is to harness the power of the Internet to help the cooperative community pool its collective resources and knowledge to share with others.

CDI worked with TESA to build a tool for sharing knowledge and resources on co-ops that would also serve as a space to practice cooperation and build educational tools for the co-op community. Essentially, the vision is to create a knowledge commons on all things co-op (what they are, how to start and run them, etc.) and cooperative economics. In other words, Cultivate.Coop is a Wikipedia specifically for cooperatives and cooperation.

Cultivate.Coop can be continuously updated and relevant, using a combination of wiki technology, expert curators and democratic control—meaning that its content is never in danger of going “out of date.” The project builds on the best of what is available and seeks to strengthen other resources rather than draw energy away from them. Since its launch in December 2010, Cultivate.Coop has been a smash hit with thousands of visitors from across the globe, new content and resources being contributed to it every week.

Cultivate.Coop is not only a useful tool for individuals seeking to learn more about cooperatives and cooperation, but it can also be a tool for co-ops, co-op organizations and co-op programs. Recently, CDI organized a major training for people doing co-op development work in Connecticut and was able to use a host of articles from Cultivate.Coop for the reading list. However, there were a few topics that were not on Cultivate.Coop. Therefore, CDI wrote articles for these subjects and then contributed them to Cultivate.Coop. By doing this, CDI could use the articles for its program and then other cooperators could share in the fruits of its knowledge.

Cultivate.coop is a powerful resource on cooperatives that is being built for and by the cooperative community.

If others follow suit and share their knowledge and resources (while also building upon those already on Cultivate.Coop), this will be a great way to prevent the cooperative community from having to continually reinvent the wheel.

Cultivate.Coop is a valuable tool, one that enhances all of our other resources. CDI hopes others will consider using it in their work, contribute to it and share it with others.

Cooperative Development Services

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

Cooperative Development Services (CDS) supports, builds, and strengthens organization 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.

Minnesota, Wisconsin see growth in local foods

The last six months have seen a significant amount of work with local foods systems in Minnesota and Wisconsin, including enterprise development with both consumers and producers.

Food co-op development: CDS is actively supporting the development of new consumer-owned food co-ops in St. Joseph, Minn., Willmar, Minn., and Marshfield, Wis., with presentations and guidance made to community groups and steering committees in each of these rural communities. Important issues with new startups include recruiting the “dream team” of community leaders for service on the steering committee, setting up solid communications systems to grow community awareness of the organizing effort, and raising early funding for market studies and pro forma financial projections.

In addition to providing organizational development assistance, CDS is actively supporting new co-op startups in fundraising for their projects by connecting them to local and regional foundations; by serving as fiscal agent for grants as needed; and by providing ways for individuals to make tax deductible contributions to support economic development projects in their communities.

In addition to work with startups, CDS staff members have also assisted existing food co-ops in two rural communities with relocation and turn-around projects.
Food aggregation and distribution: CDS staff also recently provided guidance in developing a business plan for the Fifth Season Co-op in southwest Wisconsin. This co-op seeks to use a multi-stakeholder approach where multiple membership classes exist within the enterprise, all aligned around meeting mutual needs for healthy, local foods. Membership classes in this co-op include producers, producer groups, processors, distributors, buyers and workers.

With the completion of this project, CDS has now completed or reviewed business plans in the last year for local foods aggregation and distribution using traditional farmer-owned co-op approaches, multi-stakeholder approaches, and consumer-buyer online co-op approaches. Observations to date are that most groups initially underestimate the costs of aggregation and delivery, as well as the operating margin required for sustainable distribution businesses. Minimum gross annual sales of about $1.5 million are required for distribution enterprises to have staff, equipment and capital needed to provide services. While it is possible for local foods distribution businesses to start out with less than this amount of sales, these businesses depend on substantial amounts of volunteer labor, which is not typically available from producer-owners during the growing season; volunteer burnout is a real issue.

CDS presented information about wholesale distribution of local foods at the MOSES Organic Food Conference in La Crosse, Wis., Feb. 26 and will be making the presentation available on its Web site at www.cdsus.coop.

Producer marketing group formed: Since December, CDS staff has worked with dairy goat producers to develop Minnesota Goat Milk LLC, a marketing enterprise owned by eight producers. The business was incorporated in February 2011, and is already arranging for aggregation and interstate shipping of goat milk on behalf of its owner-members. The group hopes to expand membership over the coming year as markets allow.

Food Cooperative Initiative hires new specialist

The last few months have been exceptionally busy and productive for FCI. In January, Stuart Reid visited five startup co-ops and conducted interviews onsite with candidates for a new food co-op development specialist position. Hired was Jake Schlachter, who began working for FCI on Feb. 28. Schlachter is now helping to wrap up a transition at Stone’s Throw Co-op near Troy, Ohio, where he and his wife, Laura, have been the creative visionaries and project managers for an online buying club as it evolves into a retail co-op.

FCI is also partnering with CDS Consulting Co-op to conduct a comprehensive research project to better understand the reasons behind, organizers’ motivations and community needs of the current wave of new consumer co-ops. FCI will be surveying 400 startup organizers and conducting follow-up interviews with numerous organizing groups. More information and research results will appear in an upcoming Cooperative Grocer article.

Spring is the season for workshops and training at FCI. Reid and Schlachter helped out at Indiana Cooperative Development Center’s “Up and Coming, Up and Running” event in February and are working with four other centers on conferences for food co-ops in their regions.

Food Cooperative Initiative will be announcing its next round of Seed Grants, funded through its Rural Cooperative Development Center Grant. FCI will be making grants of up to $10,000 to rural co-ops to help pay for professional assistance and innovative approaches to successful startup organizing.

Successful applicants will need to provide matching funds and commit to regular reports on their progress. Co-op developers helping any new food co-ops in their area are encouraged to have these food co-ops apply, once the application announcement is made.
Indiana working to unite consumers, growers

In working with farmers and farmers markets over the past four to five years, it has become apparent that an organization that can bring together the various groups involved in direct to consumer marketing under a single umbrella would be good for producers and the continued growth of value-added, specialty crop production in Indiana.

ICDC has also found that consumers are looking for relationships with local food providers as food safety concerns such as recalls and contaminants in the food supply have increased. They are very interested in sustainable, local food systems and want to know who grows, processes and retails their food.

The benefit to the local/regional farm economy is more stability as a result of increased income and cash flow. More dollars stay within the local community and enhance the multiplier effect of those dollars. These forms of direct to consumer marketing are also a draw for tourism. They’re important not only for access to local foods, but help strengthen the social fabric of a community by bringing together residents from diverse cultural backgrounds.

The Indiana Cooperative Development Center is partnering with Indiana Farm Bureau and Purdue Extension to facilitate the development of an organization that will increase the viability and profitability of Indiana direct to consumer marketers and to enhance the collaboration of those involved in these forms of marketing.

To date, ICDC has hosted two planning retreats with 32 participants across the various sectors—farmers markets, farmers, CSAs and agri-tourism venues. The group is well on its way to developing an organization that will serve a number of purposes: provide an opportunity for the participants to network and share information; develop a Web site that will be a “one-stop shop” for information; collaborate with governmental agencies on policy to make regulations friendlier and more supportive to the members; and play an advocacy role and serve as “the voice” for the direct to consumer market community.

ICDC is providing the opportunity and the forum for these groups to come together. It has plans for two additional committee meetings, the development of a Web site, the development of marketing materials and an annual meeting. The Center also plans to provide ongoing support and expertise to this emerging organization.

Iowa Center initiates three new programs

This year the Iowa Alliance for Cooperative Business Development at Iowa State University has initiated new programs in biomass marketing for biofuels, agricultural cooperative entrepreneurship, and supply chain cluster analysis.

Biomass marketing for biofuels: Several factors are important to producers for evaluating opportunities to grow and harvest cellulosic biomass for rapidly emerging biofuels markets. However, little information is currently available to assist producers in evaluating these factors or alternative biomass marketing systems. In response to this need, a survey of 2,200 Iowa producers, sponsored by the Iowa State Biobased Industry Center, is being conducted to identify essential elements for producer participation in cellulosic biomass production for biofuels markets.

The survey results are expected to identify cellulosic biomass marketing options that meet the needs of producers. Given the required investments in specialized equipment, the perishability of feedstocks, high transportation costs (low
energy density), and a lack of alternative markets, vertical coordination (contracting) or vertical integration (producer-owned bargaining, marketing or processing cooperatives) will likely be needed to ensure a sufficient feedstock supply to cellulosic ethanol plants. The pros and cons of various potential cellulosic biomass marketing structures (organizational, contracts) will be studied.

Based on this research, center staff will develop educational materials describing various options for contracting in biomass markets as well as the risks and benefits to producers of various contract specifications. The goal in providing this information is to help both producers and cellulosic ethanol processors make more informed business decisions.

Agricultural Cooperative Entrepreneurship: Iowa State and Farmers Cooperative Company at Afton, Iowa, are partners in a pilot program to develop a new experiential learning opportunity for Iowa State students. A team of three student interns has been formed that will evaluate a new agricultural business of strategic interest to Farmers Cooperative and work with the cooperative to develop a business plan this summer. The student team will present the business plan to the board of directors and the management team. The students will gain hands-on experience in cooperative business development, while Farmers Cooperative will benefit from the students fresh perspective on a business opportunity.

Long-term expansion of this internship program will help strengthen the agricultural cooperatives industry by exposing college students to career opportunities in cooperatives, helping cooperatives recruit knowledgeable, talented employees and managers in the future. In addition, it will generate new possibilities for rural economic development through ties between institutions of higher education and agricultural cooperatives.

Supply chain cluster analysis: There is a need to understand and support cluster-based economic development initiatives related to current or emerging areas of comparative advantage in rural Iowa (the ethanol and biofuels industry, poultry and egg production and processing). Research suggests that new business formation occurs more readily within a cluster because entrepreneurs have better information about opportunities. Barriers to entry are lower due to existing assets, skills, and available inputs. Natural catalysts in Iowa for organizing cluster-based rural economic development initiatives are rural electric cooperatives.

Interested in becoming members in the largest growing co-op developer organization in the country?

Join CooperationWorks!

Contact SUSANN MIKKELSON at 719-648-9510 or susann.mikkelsen@co-ops.org to learn more about membership. Or, visit the CW Web site at www.cooperationworks.coop

KENTUCKY CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT

For information, contact Larry Snell at 270-763-8258 or lsnell@kcardinfo.org

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

Gardener looks to KCARD for business planning

Mark Owens never imagined the long road that lay ahead for him and his family when they decided to build a new garden center on the family farm. “I would have probably been content to do minor upgrades to my existing greenhouses, but I knew with two boys showing an interest in business I had to begin looking to the future,” said Owens. “Of course I never imagined four years ago when I started planning for the expansion it would take this long for our dream to become a reality.”

A young entrepreneur: Owens began his career in agriculture almost 30 years ago when he decided to move from his home in Cincinnati to his family farm in Pulaski County. “My parents were born and raised in Pulaski County, and when they moved to Cincinnati to work they kept the farms as an investment,” explained Owens. “After school I decided I wanted to farm, so I came back to the family farm and began raising vegetables.”

Owens was more than just a gardener. As an entrepreneurial young farmer, he looked at ways to be more efficient in his operation. He quickly decided not to go through a broker to sell his acres of vegetables and began trucking and selling his products directly to the buyer. He also saw cost savings in raising his own vegetable transplants and built his first greenhouse in 1985. Owens soon saw another business opportunity when neighbors began asking if he had extra vegetable transplants they could purchase for their small gardens.

“First it was just neighbors coming out and purchasing vegetable transplants, but then the word spread,” said Owens. “After a couple of years I started having people ask if I also had flowers, and that is when we decided to start raising flowers.” Owens realized he wouldn’t have enough room in the single greenhouse to grow both his vegetable transplants and flowers for his growing customer base, so he built another greenhouse. As his customer demand grew so did his operation. Soon the family had eight greenhouses at two locations on the farm.

While the greenhouse and nursery business was growing, so were his two sons, Ian and Tyler. As the boys began helping more in the operation and showed an interest in coming back to the farm, Owens decided it was time to get out of vegetable production and focus for the future on the greenhouse and nursery operation.

With the vegetables I had to have several employees on the farm, but I realized if we were just focusing on the greenhouses and nursery the boys and I could do most of the work,” explained Owens. “So I decided to get out of growing vegetables...
The new marketing center and greenhouse includes a 16,000-square-foot building with a retail market and larger display area for seasonal flowers. The building will open up to the greenhouses, which will house the Owens’ wide selection of transplants, annuals, perennials, shrubs and trees.

“This isn’t just about the new building, we are making the new market an agri-tourism destination for our customers,” said Ian, the new market manager. “We are planning to have educational workshops at the retail market on such topics as container gardening, raised beds, herb gardens, cut flowers, and even some cooking workshops when produce is in season.”

Education is one way the Owens family sets themselves apart from the large box stores. The family will not only host workshops, but they will be at the market every day to share their knowledge of the products they carry with their customers.

“People don’t want to put down $50 on plants and then take them home and have the plants die,” said Owens. “We can answer questions about the plants—should they be planted in shade or sun, how much water should they get, do they need to be fed—and help our customers to pick the perfect flowers and plants for their garden and home.”

While the new market and greenhouses are a big step for this family farming operation, all three Owens men agree it is just the beginning. “The new market and greenhouse location are just the beginning for our family farming operation,” said Owens. “We are looking to do nature trails, host events at the market, and expand into the landscaping service. Most of all I am looking forward to having a chance to work together with my boys to build our family business.”

Customers can also visit www.owensgardencenter.com for directions and more information on the selection of products.

**Mark Owens with sons Tyler and Ian.**

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**A new direction:** Owens knew that the existing farm set-up, with greenhouses on two locations at the farm and no central market for customers, was not the most efficient way to operate the business. He decided if the family business was going to grow he needed to look at how to create a true destination location to expand his customer base.

“I started doing research about four years ago and then two years ago we began developing our business plan for the new market and expansion,” explained Owens. “It was around that time that we brought KCARD to the table to help us with our business planning.”

KCARD staff worked with the Owens family to take their research and ideas and develop a business plan. They also worked with the family to identify opportunities for grant and loan funds through both state and federal programs.

“Mark came to us with more than just an idea, he had financial projections and benchmarks for the market,” explained Brent Lackey, KCARD business development specialist. “We were able to work with him to take the information he had and put it into a business plan that he could use to secure grant and loan funds.”

Owens admits the path he has traveled the last few years has not been easy. He and Ian have spent countless hours working with KCARD staff and others on financial projections, business plans and designs for the new market.

“I had a vision of where I wanted to go and I knew where I was, but I didn’t know the path to get there” said Owens. “KCARD took me by the hand and led me down the path and helped me develop a plan to take me where I wanted to go with my business.”

The hard work and dedication paid off for the Owens family. They secured a no-interest loan through the Agricultural Development Fund and a low-interest loan through the Kentucky Ag Finance Corporation. In addition, they also received an Energy Efficiency Grant from USDA toward construction costs on the new facility. This grant has allowed them to meet the most energy efficient standards in the horticulture industry by installing state-of-the-art equipment including an energy curtain and a bio-thermo heating systems.

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LESSONS LEARNED FROM 2010

Looking back on 2010, CooperationWorks members were asked what lessons they have learned over the past year. I hope you find wisdom in their reply…

Never give up on the long views in cooperative development. That's also true in economics, politics and human relationships. Put temporary conditions in their rightful space.

An open hiring process can lead to pleasant surprises.

It is hard work to find a competent and trustworthy steering committee for a project. Take the time to search for leaders with impeccable character. Charisma and charm are not as important as “straight dealing.” Be vigilant against self-dealing directors and leaders and do everything possible to keep them off the cooperative’s board of directors or off the steering committee. The search gets long for those “true servant leaders.” There aren’t very many and it takes work to find them. It’s worth it.

Cooperative basics cannot be ignored. A group in the early forming stages of cooperative development must have a shared understanding of the cooperative form of business and its implications.

Never tell people you want them to pay for something after you’ve already delivered.

Professional cooperative developers need to figure out a way to create a balance in their lives or they will burn out. That balance must include some way of sharing not only the joys, but the acute disappointments. These disappointments lead to burdensome guilt. As coop developers, we can never do “enough,” and the guilt can be relentless.

We continue to need resources to assist with urban cooperative development. We recently had one of our earlier cooperative clients dissolve when the administrative part of the cooperative became too much for the group and conflict began to erode the ability of the group to work together. This was an urban group for which KDC did not have adequate resources to support.

Working with other Centers is cost effective and fosters new perspectives and skills.

Team agreements work well for staff and boards of directors

Remind potential cooperative members to apply the benefits of collective action to their individual enterprises. The idea of self help and sacrifice for future generations has to compete against the model of “the government will do it.” As people become familiar with grant and loan programs, they often overlook what they have the power to do collectively. Additionally, low-and moderate-income people may not have much experience with democratic self-governance. Reservation residents, especially, have expressed deep mistrust of democratic rule that allows the majority, however temporary, to gain the spoils of victory through the patronage system.

The sequential steps envisioned in the Madison Principles cannot be violated without doing damage to a project. These sequential steps are akin to a medical practice.

Finding people to do work for you is a lot of work, but a better idea overall than trying to do everything yourself.

Anecdotally, co-ops seem to be weathering the financial crisis. In fact, the business model is gaining increased interest and support.

Volunteers and interns are appreciative of actual project work and it brings real value to NWCDC’s operations.

Remind yourself to focus on the positive rather than the negative. “Words create worlds” is true. You become what you talk about—what you focus on. This is especially true in low-income communities where the focus is on poverty and short-term decisions rather than asset building and long-term visions. People act on what they think will happen in the future.
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 cooperative in the multi-state area of Pennsylvania, Maryland, New Jersey and Delaware.

Physician-owned co-op would share personnel
KDC is busy with a number food, health and purchasing cooperatives. The center’s current projects include:

- Primary Care Physician Cooperative: A physician-owned cooperative to share administrative and personnel. KDC is beginning a feasibility study for the group.
- Oasis at Bird-in-Hand Cooperative: A farmer-owned marketing cooperative. Members are Amish and are looking at retailing vegetables, eggs, milk, cheese and other products. KDC has begun a feasibility study for the group.
- Endless Mountains Farm Fresh Cooperative: A farmer-owned cooperative for marketing vegetables and various farm products. KDC is providing a local facilitator to assist group in organizational development and market coordination.
- Maryland meat producers: A beginning project of beef producers in Maryland. KDC is beginning a feasibility study for the group.
- Hazelwood Buying Club: A buying club with churches as members to bring fresh and locally produced foods into a food desert of Pittsburgh. KDC is assisting with member recruitment and cooperative basics.
- Lenape Native American Buying Club: A buying club within the tribal structure of the Lenape Nation to assist with sourcing locally produced foods. KDC is helping with market coordination and supplier identification.
- Mid-Atlantic Alliance of Food Cooperatives: An organization of food cooperatives in the Mid-Atlantic region. KDC is assisting with planning and organization of a spring conference for food cooperatives.

Mississippi Center for Cooperative Development
For information, contact Myra Bryant at 601-354-2750 or fsmcmiss@mindspring.com

The Mississippi Center for Cooperative Development uses cooperative development as a strategy to enhance the quality of life and economic opportunities for rural Mississippi residents by providing rural communities with options and tools for expanding, creating, diversifying, and strengthening cooperatives throughout rural Mississippi.

Business planning demonstrates commitment

Large corporations spend hundreds of thousands of dollars each year planning. Many smaller businesses do as well. Oftentimes, however, rural businesses fail to do so, and it’s even more true of small farmers and their cooperatives.

In the past year, the Mississippi Center for Cooperative Development has made a commitment to help each of its clients engage in strategic and business planning. The process is very straightforward. The first step is for groups to self-identify themselves, either as a community group, a steering committee or a new or existing cooperative or small business. Second, the
The Nebraskan Cooperative Development Center (NCDC) builds a strong, engaging 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.

Community-owned grocers on rise in Nebraska
A number of projects and initiatives are keeping the Nebraska center busy. These projects include:

- Farmers Market Association
- Western Nebraska Produce Grower Group
- Grass-based dairy processing co-op
- Women’s clothing store
- Community-owned grocery stores (3)
- Meat processing facility
- Buy Fresh Buy Local Nebraska

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

The Northwest Cooperative Development Center (NWCD) is a nonprofit organization devoted to assisting new and existing cooperative businesses by providing access to information and tools that will enable effective governance and management.

Manufactured home parks becoming consumer co-ops
NWCD is working in a number of sectors as well as types of cooperative development. Its wide array of projects includes:

- Manufactured home park cooperative conversions – consumer co-op
- Case study of Idaho’s Bounty online food market – blended, consumer and producers, co-op
- Certified Guides Co-op – shared services co-op
- Paradise Home Care Cooperative – worker co-op
- Green Clean Alliance Cooperative – worker co-op
- Ellensburg Food Co-op – consumer co-op
- Sunsets West [Food] Co-op – consumer co-op
- Gorge Winds Community Grocery – consumer co-op
- D’Aboy Career Horizons – worker co-op
- Manzaneros Mexicanos de Washington – producer co-op
Center for Cooperative Forest Enterprises
For information, contact Colin Donohue or Scott Bagley at 740-593-8733 or colin@nnfp.org or scott@nnfp.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.

New opportunities emerging in renewable energy
CCFE is building on the cooperative wood-to-energy study tour to Austria that Scott Bagley embarked on last summer to support innovative biomass initiatives here in the United States. Harry Groot, former CEO of the Blue Ridge Forest Cooperative in Virginia, has joined the CCFE team as a consultant, strengthening the Center’s support of new and existing forest enterprises. In addition to their direct work with co-ops, Bagley and Groot have been advising biomass project developers on the ways they can work with the landowner cooperatives to secure sustainable supply and build support for projects on the local level. They will be speaking about cooperative approaches at the upcoming “Heating the Northeast with Renewable Biomass” Conference in New Hampshire in April.

“While the recession has been tough on the forest industry over the past several years, we see a variety of emerging opportunities in the area of renewable energy. The past 10 to 15 years have been an important R&D phase with forest cooperatives, and we look forward to putting those lessons to work as we support new and existing co-ops in their wood-to-energy endeavors,” said Groot.

“I’ve enjoyed connecting with CCFE clients and partners and am hopeful about the coming year as we dig in and work hard in support of the groups taking a proactive approach to their cooperative businesses. I look forward to meeting other members of Cooperation Works and learning about ways we can work together on forest-related projects,” Groot added.

2011 Upcoming Events
March
15, Farmers Market Boot camp, Indianapolis, IN

April
8 & 9, California Co-op Conference, Berkeley, CA
18-22, Art & Science of Cooperative Development, Madison, WI

July
26-19, ACE Institute, Winnipeg, Manitoba, Quebec City, Quebec

October
5-7, NCBA Annual Meeting and Cooperative Conference, Minneapolis, MN
12-15, North American Worker Cooperative Conference, Quebec City, Quebec

Top challenges in 2011
Looking ahead, CW! members mentioned the following as some of the top challenges for the coming year

▶ We need money to work in non-rural areas, badly.
▶ The people you want to do things with are the busiest people, which makes progress slow.
▶ Applying the principles of democratic decision-making: painful, messy, slow, necessary!
▶ Finding resources for urban cooperative development.
▶ Operating a full service cooperative development center on the budget provided by the RCDG (Rural Cooperative Development Grant) grants. There never seems to be enough money.
▶ Finding other sources of income outside the RCDG funding.
▶ Educating the professional service providers, such as CPAs and attorneys, on the cooperative model so that they feel comfortable with and have a better understanding of the cooperative model.
▶ Responding to increased interest in developing cooperatives.
▶ Acquiring debt financing for low-income, non-asset based cooperatives.
▶ Securing funds to support technical assistance for urban co-op ventures.
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.

Local Foods Grow Roots in Colorado

The RMFU Cooperative Development Center is working with a variety of new businesses, many of them cooperatives in existence or at least in the planning stage. Just a few of the creative projects rural folks are developing in the Rocky Mountain region are:

- A farmers market association in a county west of Colorado Springs has hopes of establishing the first year-round farmers market in Colorado. To do that, they need a new building and equipment. One of the special qualities of this group is the clear passion and commitment – as well as extensive experience and knowledge – the members bring to this endeavor. The Co-op Center hopes to help this group complete a feasibility study for this project by year-end.

- The Center is working with a statewide farmers market association to help it with day-to-day financial and administrative tasks. We also hope to help this group develop more and better infrastructure to support the terrific work of its member markets.

- A group in southeast Colorado is working to establish the Arkansas Valley Farm Service Center as a centralized facility with infrastructure to support individual producers as well as cooperatives. The facility they are endeavoring to build will include a community kitchen, cold/frozen storage, seed cleaning as well as an inventory of post-harvest packaging materials, which will be sold on a discounted basis. This will help support the unique agriculture markets in that area, and to develop the great food that those crops offer to shoppers and diners. To succeed, they will need a new building, equipment and organizational expertise. The Center hopes to help this group fund a feasibility study.

- A value-added beef producers co-op in the Durango area has already been formed for the support and marketing of its products. They’ve got the organization pretty much in place, with assistance from the Center. Now, it’s time to do the feasibility study, which the Center hopes to help them fund.

- Nearby, in southwest Colorado, is a group of consumers that would like to form an organization to help market and to buy regional food products. The Center plans to meet with these folks in January to see what we can do to help, including whether a cooperative business model might be the best way to meet their needs.

- There’s a group of early care and education centers in western Colorado that is looking to continue their collective purchase of certain administrative and financial services, and to expand the products and services they will collectively buy. Big dollar savings and operating efficiencies might well result from a more focused and comprehensive effort. The group is in the middle of a feasibility study, with the Center’s help.

- Another group in Colorado is looking to build a series of hydroponic greenhouses so family farmers can grow such crops as tomatoes and lettuce year-round – and Colorado consumers can eat farm-fresh produce year-round. The group is applying for a USDA grant to fund a feasibility study for this idea.

- High Plains Food Cooperative, an online direct marketing vehicle for family farmers and ranchers in western Kansas and eastern Colorado, continues to grow. The Center helped establish this cooperative and remains closely involved, including helping to host the co-op’s annual members meeting in Denver in January.

The Center is working with a group of premium grass-fed and grass-finished organic and natural beef producers in southern Colorado to secure funding for a market analysis, product and market development and organizational planning for their marketing cooperative.

(continued from front page) Local Food producers to address this compelling community need and opportunity. As a result of that public challenge a new business, the Producers & Buyers Co-op, rose to meet the need.

Forming the cooperative

In communities across the country, people are working together through the cooperative business model, to get the things they need to live better and save money. Cooperatives are owned and controlled by the people who use them. From telecommunication, electric and farmer cooperatives in rural areas to housing, organic food and childcare cooperatives in metropolitan areas – cooperatives bring people together to
improve their quality of life and financial well-being. Greg McKee, director of Quentin Burdick Center for Cooperatives at North Dakota State University, says there are a set of principles that define cooperatives and differentiate them from other types of businesses. "Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership," he said. "Members set policies and democratically make decisions; they control these autonomous businesses and contribute equitably to the capital of their cooperative."

Since June 2008 when Ronstrom first pledged 10 percent of Sacred Heart Hospital's $2 million food budget to purchasing local foods, the Producers & Buyers Co-op has become a business that produces, processes and delivers nutritious local produce for institutional use. "There was no business example that fit what we wanted to accomplish and there were preconceived barriers that needed to be broken down," said Beckler. "The cooperative business model has made it possible for us to achieve what we set out to do."

With assistance from Pam Herdrich of the River Country Resource and Development (RC&D) and Margaret Bau, Wisconsin-USDA Rural Development cooperative development specialist, the Producers & Buyers Co-op was formed using a multi-stakeholder approach with a membership that includes the producers, buyers, processors and local transportation. "This co-op is interesting from so many different perspectives," said Bau. "For example, buyer-members are not mere customers. Buyer members serve on the board, work on committees concerning product standards, work through fair pricing, and sweat through details of initial product runs."

Through co-op membership, the Producers & Buyers Co-op buyers are part of the learning process about the seasonality of food, the constraints of not having enough processing facilities, crop failures, etc. "If a hospital likes the idea of obtaining locally grown food but isn't willing to put in this extra effort or pay more for high quality food, then local food isn't for them," said Bau. "Cooperatives are all about being in an ongoing relationship with the other co-op members. It is a relationship of equals."

Education and training for cooperative members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative is another principle of the cooperative business model. This involves understanding both how cooperatives and how the particular business functions successfully. "The first product the hospital received was ground beef – in 40-pound frozen blocks," said Beckler. "It was wonderful product, but we needed to address the packaging. As co-op members, we are learning together what the producers can raise and grow; what options the processors have; and what the buyer can use."

**The community benefits**

As of September 2010, the Producers & Buyers Co-op had facilitated the purchase and transportation of over $177,000 of locally grown product from more than 18 producers and four processors to three buyer members.

Michelle Miller, associate director for the Center for Integrated Agricultural Systems at University of Wisconsin – Madison, said cooperatives also have an altruistic side that's appealing. “Cooperatives are self-affirming – you see a need and you address that need through a business,” she said. "Cooperatives are also an entrepreneurial way to bring values back into business." Miller's comments reflect another of the guiding principles of cooperatives - while focusing on member needs, cooperatives work for the sustainable development of their communities.

Miller learned about cooperatives through her family's participation in Farmers Union. Her grandfather was a board member for several cooperatives in North Dakota and her mother directed the Wisconsin Farmers Union co-op summer camp where campers create and run a cooperative. "It is important for the continuation of cooperatives that children understand how co-ops operate and are empowered to contribute to their communities."

Folks around Eau Claire recognize the value of the Producers & Buyers Co-op. Member Darrell Lorch of Lorcrest Farms, Inc, in Blair, Wis., says having a stable market price allows him to do more long-range planning with his farm operation. Sacred Heart's Beckler reports an outpouring of warm compliments on the hospital's food from patients, Meals on Wheels patrons and employees. "We have learned a great deal about our community through the co-op," said Beckler. "The civic engagement has been good on many levels. We are eating healthier and supporting a healthier local economy."

Producers and processors that sign up for the Producers & Buyers Co-op promise to employ growing practices and animal husbandry that's good for the land, good for the animals and good for the people who eat the food. The buyers, in turn agree to pay a price that reflects the cost of producing food that lives up to those standards plus a small profit. Buyers also agree to be flexible if certain products or quantities aren't available when they want them, filling the gaps through other suppliers.

**Education materials about cooperatives online**

River Country RC & D and Wisconsin Rural Development personnel assisted Beckler and the Eau Claire producers as they organized the cooperative in 2008-2009. They and others interested in learning more about or starting a cooperative now have additional resources available. McKee and other professionals from state Cooperative Extension services, industry and USDA are collaborating to provide a Web-based source of educational information about cooperatives. An educational partnership of 74 land grant universities known as eXtension provides research based information and learning on one Web site: [www.eXtension.org](http://www.eXtension.org).

Information at [www.eXtension.org](http://www.eXtension.org) is organized by communities of practice (CoP), or resource areas, populated by a virtual network of faculty, professional and para-professional educators, industry experts and federal government representatives with expertise in the subject matter. The cooperative CoP recently launched with six content areas:
1) basic cooperative principles, 2) cooperative development, 3) youth and cooperatives, 4) management and marketing, 5) cooperative finance and 6) board of director strategy.

“The leadership team developing the cooperatives community of practice hopes their work will became an essential source of high-quality information and education,” said Madeline Schultz of Iowa State University, Cooperatives Community of Practice chair. “We believe youth and adults can increase their understanding of the cooperative business model; become more engaged as cooperative business members, employees, board directors and managers; and achieve greater economic and social improvements in their communities from the information available at eXtension.”

Miller and McKee believe economically challenging times foster the growth and interest in cooperatives, in part because start-up capital comes from member-investors and because of the civil engagement that is intrinsic to cooperatives. That interest is finding fresh support through models like the Producers & Buyers Co-op in Eau Claire and the resources available at eXtension.

**Mid-Atlantic Food Co-op Start-up Conference**

There are at least 17 groups in the Mid-Atlantic region that are trying to organize consumer retail food co-ops. A conference of this type would help to reduce the learning curve for steering committees composed of individuals with little knowledge of the nuts and bolts needed to build a successful member-owned enterprise. We are organizing a conference similar to the one held February 2010 in Bloomington, Ind., organized by the Indiana Cooperative Development Center and Bloomingfoods Co-op. Workshops will be available on various aspects entailed during the stages of organizing, planning, and implementing a new consumer food co-op. Some prospective workshop topics include: Co-op Development Overview, Sources and Uses Budget Development, Feasibility Assessment, Organizing a Membership Drive, Start-up Financing, and Elements of Effective Steering Committees.

We anticipate 150 attendees who will learn how to organize food co-ops in their communities. Training materials will accompany various workshops. Presentations will be available online following the conference. The conference will contribute to successful co-op start-ups of participating groups. Immediate outcomes include the increased knowledge, confidence, and energy gained through participation in the workshops and by meeting and forming new personal relationships with others engaged in the same community-building efforts. Outputs will be measured against expectations. Deliverables and outcomes will be evaluated through a post-conference survey of participants.

Collaborating partners:

**Keystone Development Center, [www.kdc.coop](http://www.kdc.coop):** Conference initiator.

**Mid-Atlantic Food Co-op Alliance:** Primary planning and promotion.

**Food Co-op Initiative, [www.foodcoopinitiative.coop](http://www.foodcoopinitiative.coop):** Assistance with planning and program development.

**CDS Consulting Co-op, [www.cdsconsulting.coop](http://www.cdsconsulting.coop):** Assistance with planning and program development.

**Weavers Way Co-op, [www.weaversway.coop](http://www.weaversway.coop):** Logistical support.

*The conference will be held on April 16 in Philadelphia, PA. Contact Bob Nobel at bobnobel@kdc.coop for more information.*