



## COOPERATIVE DEVELOPMENT INSTITUTE

The Northeast Center for Cooperative Business

### CDI YEAR IN REVIEW

# 2011: Powering Up the Co-op Economy



“Cooperative Enterprises Build a Better World.” The slogan of 2012, the United Nations International Year of the Cooperative, which kicked off in October, 2011, rings true around the Northeast US.

Co-ops make possible the impossible, helping people do what they cannot do individually. Across the region, cooperatives help farmers and fishermen safeguard their livelihoods. They help consumers access fresh, healthy food. They help residents attain ownership and peace of mind.

The co-op business model also helps workers organize their own enterprises in every sector of the economy. Co-ops help people from all walks of life to live their values and keep their autonomy.

The Cooperative Development Institute, or CDI ([www.cdi.coop](http://www.cdi.coop)), is the Northeast’s center for cooperative business education, training and technical assistance. Founded in 1994, we provide top-quality business support and the critical connections our diverse clientele needs to develop successful enterprises and build a more cooperative economy.

We partner with economic and community developers, community organizers, researchers, educators, and policymakers throughout our region. We collaborate with co-op development centers across the US as well as with national co-op sector associations and the National Cooperative Business Association ([www.cooperationworks.coop](http://www.cooperationworks.coop); [www.ncba.coop](http://www.ncba.coop)). Our local work links to a growing, vital, global cooperative community ([www.ica.coop](http://www.ica.coop)).

We were able to offer CDI’s services during 2011 in part because of \$225,000 awarded by the US Department of Agriculture’s (USDA) Rural Cooperative Development Grant program. The grant’s impact was more than doubled last year by more than \$50,000 in cash and in-kind matches, and another \$200,000 in additional grants and contracts.



Photo: Jane Livingston  
Sporting “P6” shirts (see [p6.coop](http://p6.coop)), Equal Exchange worker-owners Becca Koganer and Manju Gupta put in practice the 6th Co-op Principle, “Cooperation Among Co-ops,” as they shared delicious hot drinks and friendly smiles with participants at the “It Takes Cooperation to Build a Food Co-op” conference (see story page 2).

## The Power of Co-op Values & Structure

In 2011, cooperative enterprise again showed its ability to outperform. Credit unions (co-ops owned by their depositors) surfaced dramatically as a better bet than banks, which many blame for the economic downturn and taxpayer bailouts.

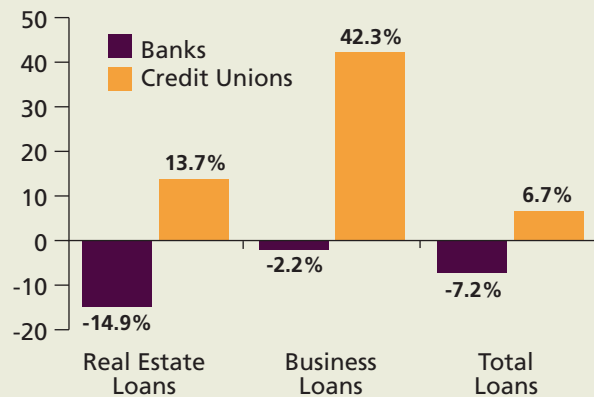
On November 5, 2011, more than 40,000 new credit union accounts were opened across the country in support of Occupy Wall Street and Bank Transfer Day (the number went as high as 650,000 in six weeks).

People are exploring how “an economy worth occupying”—one based on shared values—could be structured, and the co-op model is moving to center stage.

Source: FDIC, NCUA & CUNA E&S.

### Credit Unions Remain “In the Game” As Other Lenders Pull Back

Growth Since Beginning of Recession (Dec. 2007–Sept. 2011)



## FOOD

### Consumer Power

Between the economic squeeze of the recession and the growing movement toward healthier food choices, interest in consumer-owned grocery stores is running very high. In May, 125 people came to Greenfield, Massachusetts, from 22 start-up projects all over the Northeast for a daylong conference on how to plan and operate a food cooperative, “It Takes Cooperation to Build a Food Co-op.”

Veteran cooperators from some of the region’s many thriving mature co-op stores in Vermont, New Hampshire, Massachusetts and Connecticut came to share their experiences. Conference co-sponsors included the Food Co-op Initiative, CDS Consulting Co-op, Neighboring Food Co-op Association and the National Cooperative Grocers Association.

The event was catered by Green Fields Market/Franklin Community Co-op and supported by more than 20 co-ops and allied groups including USDA, the National Cooperative Business Association, the Saint Mary’s Master of Management, Co-operatives and Credit Unions program, and the Cooperative Fund of New England.

Participants were enthusiastic about meeting leaders from established and start-up co-ops, the value of the information they received, and the formats used to deliver it. People left energized, one participant saying the best part was “that so many interesting and cool people all came together to share their knowledge!” On a 1–4 scale, the conference was rated 3.71 overall. Conference materials are at [www.cdi.coop/foodcoop\\_conference.html](http://www.cdi.coop/foodcoop_conference.html).



**Strength through diversity:** North Country Grown Co-op is finding ways to meet the needs of its membership which is nearly one-quarter Amish and more than half women. “We have to meld everyone’s interests together,” says the co-op’s manager, Sue Rau, at left.

## FOOD

### Producer Power

CDI worked with more than two dozen groups of producers in 2011 to start new co-ops or strengthen existing ones. They represent our region’s rich heritage of food production: fruits, vegetables, grain, animal products, seafood, and more. They engage in cooperative marketing, equipment sharing, farmers markets, consumer education and other activities.

#### One Co-op’s Story

North Country Grown Cooperative was formed in 2005 by a group of producers in Saint Lawrence County, New York, to deliver fresh, local food to institutional buyers in the county. Today they have accounts with universities, restaurants and assisted living centers ([northcountrygrown.com](http://northcountrygrown.com)).

Two Small and Socially Disadvantaged Producer Grants from USDA enabled them to contract with CDI and Farm Credit East ([www.farmcrediteast.com](http://www.farmcrediteast.com)) to strengthen the co-op’s operating and governance systems, expand markets, and help farmer members with business and production planning.

The co-op’s Manager Sue Rau says, “Our members are small farms, with not a whole lot of time for planning. Also, they represent a broad spectrum [of operating styles and practices]. Having a facilitator helped us work through some hard places in our business plan. It gave us direction, helped us set goals.”

Rau sums it all up by adding, “What CDI did was to help us raise our level of professionalism.”

## EDUCATION

### Co-op Peer Power

The Connecticut Cooperative Business Academy was an innovative collaboration that took place in 2011 between CDI and the Willimantic Inter-Cooperative Zone, the latter an initiative coordinated by CDI Board Member and University of Connecticut professor emeritus, Len Krimerman.

A USDA Rural Business Enterprise Grant supported the education and training program, whose purpose was to reduce rural poverty through business development, and to create a peer support network for co-ops in all stages of development, from pre-start to start-up to established businesses.

Among the participating groups was Swift Waters Artisans Co-op ([swiftwaters.org](http://swiftwaters.org)), which operates a storefront, runs classes and demonstrations, hosts art shows, and provides meeting spaces.

"We can't thank CDI enough," Swift Waters Treasurer Sarah Pappenheimer says. "It woke me up. There are many costs of running a business that people without a business background might not realize."

The co-op had been letting too few people do the work. Now, every member without a specific job title is expected to be actively involved in day-to-day operations.

The results? "We've gone from being \$13,000 in debt to being able to pay all our bills," Pappenheimer says. "And it's not because the economy has gotten better. It's because we've learned what we need to know to run our business."

## INFORMATION

### The Power of Co-op Sharing

With the Canadian Worker Co-op Federation joining in 2011, there are now seven active members moving the Data Commons Cooperative forward. The co-op is creating the means to manage platforms for sharing information. ([datacommons.fnd.coop](http://datacommons.fnd.coop))

"The possibilities for collaboration and sharing between cooperatives and cooperative support organizations grow every day with the democratization of technology. As everyone in the cooperative movement knows, sharing can decrease costs and amplify capacity," project coordinator Joe Marraffino says, but most co-op development centers don't have in-house data services or the time to maintain large, accurate directories.

"With the Data Commons Cooperative," he explains, "that work can be broadly shared. We all have useful information, and if we can agree on how to share it, and build robust tools to do so, it is within our reach to have a much better networked cooperative movement." ([www.fnd.coop](http://www.fnd.coop))



Dave Furman (second from right), new president of the Bunker Hill resident-owned community co-op, at the closing. The property was sold by a nonprofit to the co-op owned by 14 families. "Keep doing what you are doing," wrote Furman to CDI. "You have done amazing things with us!"

## HOUSING

### Resident Power

Last year CDI's New England Resident Owned Community program (NEROC) helped convert three manufactured home parks to resident ownership, more than any other co-op developer nationwide and nearly one-third of the number closed under the ROC USA program in 2011.

Since becoming a certified technical assistance provider for ROC USA ([www.rocusa.org](http://www.rocusa.org)) in late 2009, CDI has helped residents assume ownership of five manufactured housing communities in Vermont and Massachusetts, and is working with a total of 25 parks in those states, plus Connecticut and Rhode Island.

In all, CDI has helped housing co-ops establish or retain more than 550 units of affordable housing, with hundreds more units in parks considering conversion.

In 2012, leveraging a \$60,000 two-year investment from a local community foundation, the program will expand to serve residents of Maine, in partnership with Genesis Community Loan Fund ([www.genesisfund.org](http://www.genesisfund.org)).

Financing for conversions is provided by a combination of ROC USA Capital, a national Community Development Financial Institution (CDFI), as well as other CDFIs—including the Cooperative Fund of New England ([www.coopfund.coop](http://www.coopfund.coop))—and local banks.

Beyond our work with individual parks, we provide research and education to state-level policymakers. CDI staff presented along with ROC USA President Paul Bradley at a roundtable in Vermont on converting manufactured housing communities from private or nonprofit owners to resident ownership. The session was held for government representatives, staff members of nonprofit organizations, funders, and resident activists.

## OUTREACH

# The Power of Our Co-op Stories



In 2012, the International Year of Cooperatives (IYC) will generate a cornucopia of stories that demonstrate how regular folks are achieving extraordinary results through creating and operating businesses together. (See [stories.coop](http://stories.coop) for examples.)

CDI is helping to shape IYC collaborations to celebrate and promote co-op development in the Northeast. Our “Cooperative Business Solutions for the Northeast” is a four-page primer full of such stories, intended to inform people in government, finance, business, education and community services about this powerful force for sustainable economic development.

From job creation and retention to supporting vital services, home ownership, or family farms and working waterfronts, our stories deliver a powerful message. The new CDI publication is available at cost or can be downloaded and printed for free ([www.cdi.coop](http://www.cdi.coop)).

In late November, US Rep. Chaka Fattah (PA) introduced the National Cooperative Development Act (HR 3677) into subcommittee. The Act would establish regular funding to support the growth of co-op enterprises in rural and urban underserved communities. Co-ops around the country are telling their stories to Congress, demonstrating the value of supporting co-op development.

CDI is providing information to these decisionmakers about the benefits of cooperatives and is taking part in a coast-to-coast “Campaign for Cooperation” coordinated by *CooperationWorks!* and the National Cooperative Business Association ([www.campaign.coop](http://www.campaign.coop)).

### CDI Board of Directors

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### CDI Year in Review

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## NETWORKING

# The Power of Co-op Collaboration

The annual retreat for CDI board and staff in May focused on CDI’s strategic goals. Board member Greg Brodsky proposed the idea of a “Pay It Forward” initiative for CDI clients, which staff are piloting in 2012.

“We all know that CDI does great work with limited resources,” he says, “and if implemented properly, this could add significant capacity to CDI.”

Brodsky explains how it would work. “It sets some expectations about how new client groups can be most successful...[and] in the long term, if every co-op we help can devote some time or money to helping other prospective CDI clients, then very quickly you can have a network of established co-ops helping to launch a lot of new co-ops!”

That vision mirrors the object of the new game *Co-opoly* ([coopolygame.com](http://coopolygame.com)), which is to establish and run a co-op that helps start new co-ops. Brian Van Slyke, another CDI Board member, is a *Co-opoly* developer.

Feedback from test players at the annual Board retreat, says Van Slyke, resulted in changes being made to the game that really made it zing.

“At the retreat, my fellow Board members and CDI staff tested an early version of the game; their input was an important turning point in *Co-opoly*’s design. Because of that experience...the game is a much more successful tool for education, organizing, and exciting people around co-ops. I am forever in gratitude to the CDI board for their essential contribution to *Co-opoly*.”



**CDI Board Chair Erica Buswell, former Co-Manager of Belfast (Maine) Food Co-op, was actively involved in planning a January, 2012 statewide conference, “By Land and By Sea: Leveraging the Co-op Model for Business Success.” CDI staff helped plan the event, which packed the house, and offered two workshops and a poster titled, “It Takes Cooperatives to Build a Regional Food System” ([www.cdi.coop/images/cooperativesandfoodsystems.jpg](http://www.cdi.coop/images/cooperativesandfoodsystems.jpg)).**



## STAFF ENRICHMENT

Two CDI staff attended the popular “Art and Science of Co-op Development” professional training offered each year by *CooperationWorks!* CDI Executive Director Noémi Giszpenc found it rewarding. “Our role as co-op developers is a subtle and demanding one; I’m glad that such quality training, and such wonderful colleagues, are available to us.”