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Big Achievements in 2015: The Year of the Sectoral Strategy

The cooperative movement appeared in the spotlight frequently in 2015. Concerns about economic inequality brought the model to the fore and co-ops captured attention from all corners: finance, community development, racial justice, even presidential politics. At Cooperative Development Institute, our growth was equally robust and we focused our attentions in sectors that promised the most movement. The three areas that we addressed most were food, housing, and conversions. We also took up organizing co-ops in immigrant and refugee communities, with Native Americans, and among artists. In each we've been able to surpass what we dreamed possible at the start of the year.

Food

Maine Farm & Sea Cooperative made significant gains in bringing local food to scale. CDI supported the multi-stakeholder start-up through its first year of development and assisted their bid for the University of Maine System food services contract. In addition to their official launch this year, Maine Farm & Sea accomplished headline-grabbing victories such as winning Maine Farm, Fish and Food Innovation Challenge, which came with a \$5,000 award and in-kind legal support. Representative Chellie Pingree supported Maine Farm & Sea, noting that "it's fantastic that this venture will be cooperatively owned . . . bringing many benefits to member-owners and our communities." Hundreds of community members joined the co-op and they are poised for a successful operation providing dining services to hospitals, businesses, and schools.



CDI helped Maine Farm & Sea Cooperative through its very successful first year.

Housing

Resident-owned communities formed at a rapid pace in 2015, and our developers closed on a total of seven deals within the calendar year. These agreements helped reach a milestone for our partners at ROC USA who can now proudly represent over 10,000 homes. At times, negotiations came at a pivotal moment for the community, when residents were facing eviction from closure or sale of the park. In this way, CDI was able to save hundreds of affordable housing units all over New England by converting them into cooperatives.

We formed the Resident Owned Neighborhoods Association of Maine Cooperative (RONA) in January. RONA brought together the state's resident owned communities to celebrate the experience of shared ownership and to work jointly on community improvement projects through social gatherings and small grant-making. The program has recruited 100% of Maine's resident owned communities and is a smashing success.

Conversions

Maine overflowed with opportunity for co-op conversions in 2015. Perhaps most notably, the legislature passed a bill that would give the state the best policy platform for co-op conversions in the country. CDI staff supported the passage of that bill. Rob Brown and Jonah Fertig testified in favor. The bill, LD 1300, will provide financial and technical assistance to cooperative and employee-owned businesses. This includes improving access to public loan and grant funds, educating state and local economic development officials about co-ops, creating a matching grant fund for feasibility studies for co-op conversions, and promoting conversions through tax incentives. The Maine House and Senate passed the bill, and it currently awaits the signature of the Governor in the next legislative session.

Several companies are converting as we enter 2016. The conversions run the gamut in terms of size and sector. Recognizing the significance of this success rate, the Democracy At Work Institute committed funding

CDI saved hundreds of units of affordable housing through co-op conversions in 2015.



for conversion technical assistance for any projects in Maine.

Native/Immigrant/Refugee Co-ops

CDI developer Jonah Fertig was invited to explore establishing a cooperative that would facilitate trade among the Wabanaki federation of Native American tribes in Maine. The idea came from a Penobscot organizer looking to reinvigorate inter-tribe exchanges. CDI is also working with members of the Mohawk Nation to form a collective farm. While not formally a cooperative, it will be cooperatively organized.

CDI also continued to work with New Americans in farming. In Maine, we are working with New Roots Cooperative Farm and Sustainable Livelihoods Relief Organization (SLRO). In New Hampshire, we have worked with the New Americans Farmers Cooperative, a multi-cultural group that is expanding their farm and taking over management from ORIS, a nonprofit incubator farm. In 2015, CDI helped New Roots and New American Farmers Cooperative to establish

themselves as legal cooperatives and they became the first New American owned cooperatives in New Hampshire and Maine.

Artist Co-ops

CDI has long recognized a connection between artists' need for support and their commitment to individual expression and the kinds of benefits provided by cooperatives. Co-ops are a form of business ideally suited to artists and artisans, who may share various basic needs but fiercely defend their autonomy and independence. Over the course of 2015, CDI held a number of events highlighting the role of co-ops in helping artists and artisans. Whether celebrating the cooperation of African-American women, enjoying a summer farmers' market, speaking to aspiring entrepreneurs, or addressing a community-centric gallery, CDI is honing the message and finding ever more examples of artists successfully cooperating to better pursue their passion, earn a living, and live their lives. We are planning more events and development of support materials in 2016.



Advancing Our Mission and Delivering Value to Funders

The US Department of Agriculture has a budget well over \$100 billion that it uses to help rural economies thrive and Americans eat well. The Cooperative Development Institute is proud to play our part in the USDA's efforts. For the seventeenth year, CDI was awarded a Rural Cooperative Development Grant—\$200,000 for the Federal fiscal year beginning in 2015. This grant from the USDA helps CDI provide free or low-cost services to co-ops and other businesses in rural areas of the Northeast. In the year ending September 2015, we helped form 11 co-ops and 5 other entities, helped create 38 jobs and preserve 142 more, and helped preserve 1,300 units of affordable, rural housing.

CDI also received a USDA grant for Socially Disadvantaged Groups. The \$143,351 grant starting in 2015 will support entirely free-of-charge intensive work with three Native American groups, five New American groups, and two groups of women to help them think through and establish cooperative enterprises. Our work through September 2015 allowed us to help 95 small, socially disadvantaged farmers resulting in the incorporation of New Roots Cooperative Farm and New American Farmers as farmer marketing co-ops and of two other groups as 501(c)3 non-profit community farms.

Two other smaller USDA grants will help CDI support specific cooperatives. The \$50,000 Housing

Preservation Grant will be used to help turn-around the Pioneer Cooperative of Franklin County, a scattered-site limited-equity co-op in and around Greenfield, MA. With support from CDI staff and consultants, the resident board has been working hard on consolidating and renovating the co-op's properties to ensure longer-term sustainability. The \$25,000 Local Food Promotion Planning Grant is targeted toward helping the newly-launched Maine Farm & Sea Cooperative develop its business plan and marketing plans to get more Maine foods into institutions.

As a testament to the exciting and ground-breaking nature of the Maine Farm & Sea Cooperative, it is actually being supported by a wide range of grants. Funding came from diverse sources including private foundations such as the John Merck Fund and RSF Social Finance, donations, an economic development grant from the City of Portland, and Norway Savings Bank.

CDI is also continuing its partnership with the Broad Reach Fund of the Maine Community Foundation, which is providing ongoing support for the development of the Business Ownership Solutions program. Additionally, this year they will be supporting an expanded project of raising the profile of the co-op economy and cooperative development statewide in Maine. See [Looking Forward](#) on p. 17 for more details.

2015 marked the beginning of CDI's relationship with the Elmina B. Sewall Foundation in Maine. The NEROC program's aim to help more residents of manufactured

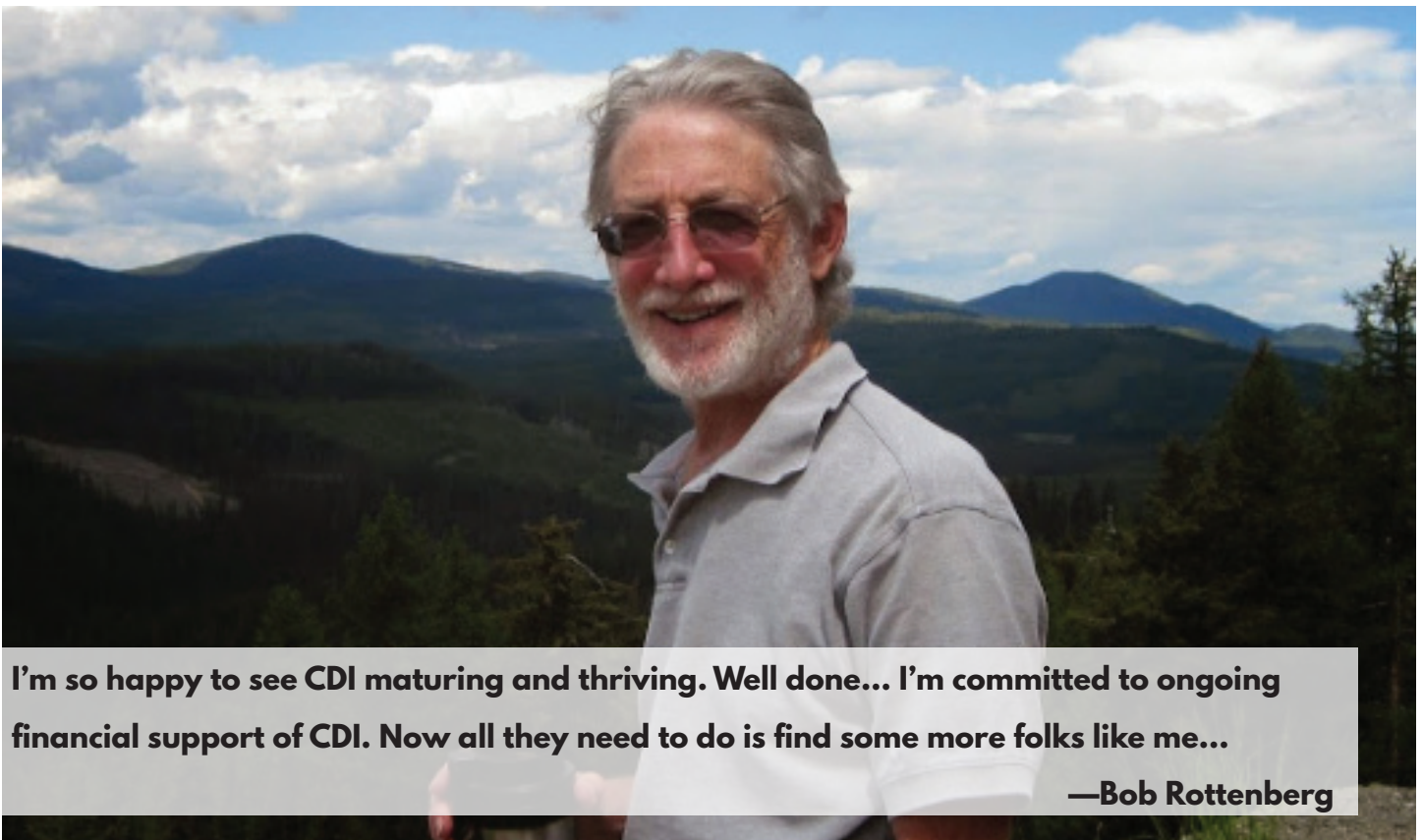
housing parks gain ownership of their communities through cooperative enterprises resonates strongly with the Sewall Foundation’s “Healthy Places, Healthy People” initiative and focus on “Basic Needs”. The grant also supported CDI’s “sectoral strategy” approach, with a portion of the grant earmarked for the Resident Owned Neighborhood Association’s continued development. Funds were slated for pre-development work for four communities in pursuit of resident ownership in addition to the network development. Halfway through the award period, two communities have successfully completed all predevelopment work and training and are scheduled to close on their acquisitions in February 2016.

Finally, we are proud to note that the New Visions Foundation, which invited us to apply for a general

operating support grant last year, was impressed enough with our work in 2015 to offer us a new and 70% larger grant for this coming year. We intend to connect with more and more people who share our vision for a cooperative economy and find value in our approach. Bob Rottenberg is one, who recently wrote to us:

I’m so happy to see CDI maturing and thriving. Well done... I’m committed to ongoing financial support of CDI. Now all they need to do is find some more folks like me...

[Please join us in helping to transform ownership of our economy, so that all people can meet their basic needs.](#)



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—Bob Rottenberg

Collaborating to Expand the Cooperative Movement

CDI works with many partners in our region and more broadly to speed up the momentum toward creating a cooperative economy.

In many ways our closest working partner is ROC USA, the national network to which we have belonged as a Certified Technical Assistance Partner since late 2009, and which enables us to better serve the needs of resident-owned communities. This ongoing collaboration incorporates direct assistance working with groups of residents, training for our staff as well as by our staff at national gatherings, financing, and extensions of the cooperative advantage from community ownership to policy influence.

As part of the CDI relationship with ROC USA, the Resident Owned Neighborhoods Association of Maine Cooperative was launched in January 2015 after a training trip to the Community Leadership

Institute in Cincinnati the prior October. CDI developer Jessica Pooley organized four traveling workshops for community leaders from Maine's cooperative communities. The meetings include networking time, a brief leadership workshop, a presentation from a vendor willing to offer a group discount, as well as lunch and a tour of the host community. RONA also implemented an annual competitive challenge grant among their member communities which will earn each participating community a \$200 beautification grant for the communities' parks. In 2015, five of the member communities pursued the Community Garden Challenge, which will be repeated for the three newest communities in 2016. A new challenge, the Disaster Preparedness Challenge, will launch in 2016.

CDI continues to work with partners in the food system to expand the impact of cooperatives. In 2015, the Maine Food for UMaine Campaign was carried out by organizations including Real Food Challenge, Farm to Institution New England, Maine Farmland Trust and Environment Maine. They issued strong



Every one of Maine's resident owned communities pledged to join RONA.

recommendations and built grassroots pressure on the University of Maine System to include a commitment to local foods, better labor standards and sustainability as components of their Request for Proposals for a new Dining Services Contract. CDI saw an opportunity to develop a cooperative that could build upon these recommendations and this network, which resulted in the creation of Maine Farm & Sea Cooperative. CDI recruited people in Maine with deep relationships and experience in the local food system to create this cooperative and has supported it through its first year of growth.

CDI is also growing closer to the Democracy at Work Institute, founded in 2013 as an affiliate of the US Federation of Worker Cooperatives. DAWI has distinguished itself as a leader in the field of worker cooperative development and we are proud to have CDI staff members as participants in the DAWI Fellowship. Rob Brown graduated from the inaugural cohort in December 2015, and Jonah Fertig was accepted into the 2016 cohort. The main question

facing worker co-op developers is how to learn enough about the process and the factors that influence it to successfully increase the scale of worker co-op development several-fold. While it is possibly the fastest-growing sector of cooperatives, worker co-ops are also one of the smallest, numbering in the hundreds nationwide. DAWI has taken the lead in a national conversation about the potential of conversions of small-to-medium-sized businesses to worker co-op ownership. Conversions are a promising avenue as one means to scale-up worker co-op development, as well as to address serious business succession issues facing business owners (many of whom are nearing retirement without a succession plan in place, which threatens to cause avoidable job loss). CDI is a member of the new “Workers to Owners” Collaborative launched by DAWI, contributing to the development of effective practices and strategies for conversions.

CDI’s collaborations in the worker co-op world are regional as well as national. In 2015, CDI helped sponsor and four CDI staff members attended the



Eastern Conference for Workplace Democracy held in Worcester, MA in July. Two former CDI board members also attended. We participated in a panel discussion about scaling up worker co-op development through conversions, as well as a workshop on worker cooperatives and food systems in rural areas, including examples of worker-owned farms, food distribution, food hubs, and food processing businesses.

CDI is no stranger to Worcester, as a sponsor of the Worcester Roots Co-op Academy for the past three years. Through our support, the Academy was able to develop and post many of its materials on an online wiki, Cultivate.coop. Past participants in the Worcester Roots academy were featured during the “local tours” at the 2015 ECWD, including Future Focus Media Co-op and Neuron Robotics. We look forward to the continued development of this important local resource!

One very important way to grow the cooperative movement is to see how it connects to other

movements underway. Inspired by the urgent need to address climate change and ecological degradation generally, economic inequality and poverty, and various systems of social oppression including racism and sexism, the New Economy Coalition formed in 2012. CDI, which recognizes that cooperatives can provide a sustainable vehicle to address all of these concerns, joined the coalition in 2013. We have found that this is a fruitful way to meet people active in learning and building new ways of seeing, being, and acting in the world, very much in line with cooperative ideals. Through our NEC ties, in 2015 we teamed up with the New England Grassroots Environment Fund, the Cooperative Fund of New England, the Center for Economic Democracy, and the Institute for Policy Studies/New England New Economy Transition to design and deliver a 3-part webinar series to NEGEF constituents on what is a co-op, how they contribute to other movements, and how to form one. Through the New Economy Coalition, we have also participated in or sponsored events at College of the Atlantic and contributed media pieces to New Economy Week.



We joined other cooperatives and supporters for the 2015 ECWD gathering.

CDI staff (Rob, Jonah, Dawn, Joanna) and board members (Davis, Gloria, Betsy) participated in staffing the Cooperative Maine booth at this year's Common Ground Fair in Maine. Rob, Jonah, and Davis presented to over 40 people on Building the Cooperative Economy in Maine. The group discussed co-ops supporting the growth of other co-ops and borrowed examples from CDI's programs and collaborations, including Maine Farm & Sea Cooperative, Island Employee Cooperative and other worker co-op conversions, as well as current legislation and other policy ideas to support co-op growth in Maine. Similar content was offered by Jessica, Jonah, and Rob at Cooperative Maine's Principle 6 conference in April.

CDI is collaborating across the region to identify all co-ops, create stronger connection between co-ops, and better understand their economic and community impact. This effort is starting most strongly in Maine, where we are surveying all co-ops in the state, identifying common development needs that co-ops can collaborate on with peer-to-peer learning

initiatives, and gauging interest from cooperatives in participating in a Maine Cooperative Business Association that would provide important benefits such as group purchasing, shared marketing, and education and training. Additionally, to get a better sense of the scope and impact of the cooperative sector in Maine, Rob and Davis are leading a research initiative detailing the variety of cooperatively owned businesses in Maine, the economic and community impact of those businesses, and the opportunities to expand and strengthen that impact.

Similarly, in Boston, Matt Meyer has been working to bring housing, worker, and consumer cooperatives together to form an association. The Greater Boston Chamber of Cooperatives has hosted regular social events, coordinated shared marketing campaigns, and is collaborating on local advocacy to grow the co-op sector. In the past year, the Chamber solidified their bylaws, structure, and a dues agreement proposal that is expected to be implemented in early 2016.



Growing the Organization to Serve More Cooperatives

In CDI's last fiscal year, we spent just over \$900,000 to carry out our activities—and it looks like in the coming year, we'll break the million-dollar milestone, with approximately 30% growth anticipated!

The vast majority of what CDI does is cooperative development—over 80%. Around 6% is education and training, 2% is communication about cooperatives, and just less than 10% is overhead.

Our revenues come about half-and-half from program income and grants, and are just enough to cover expenses.

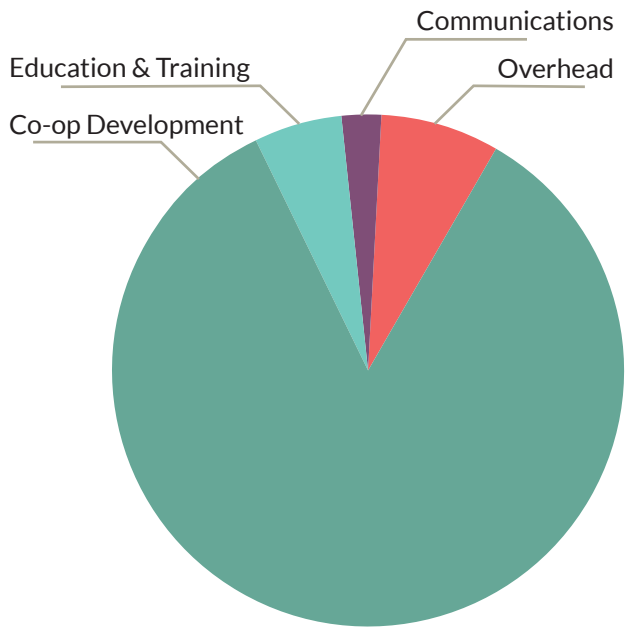


CDI helped promote local food in Maine.

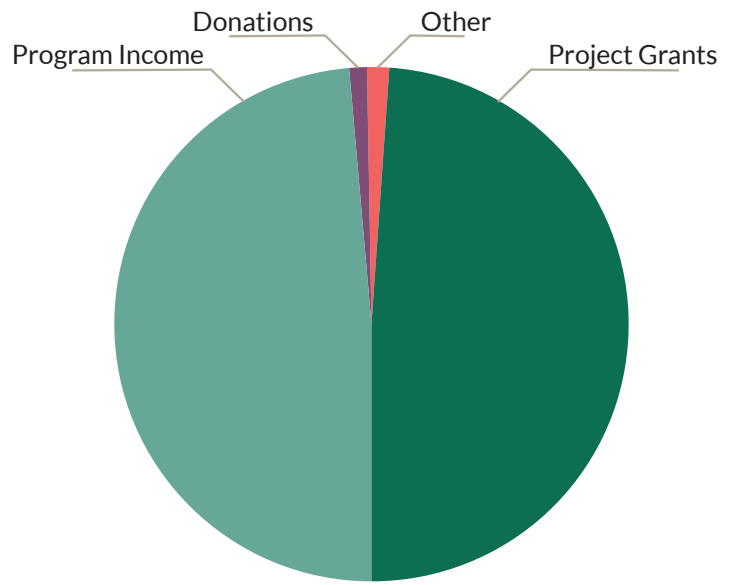
With the support we received in 2015, we were able to help:

- » form two new worker co-ops;
- » start five farmer co-ops, including two owned by New Americans;
- » launch a new type of co-op, a multi-stakeholder food service business;
- » establish six new resident-owned communities, and stabilize a seventh, along with the formation of a new association for ROCs in Maine;
- » secure an additional 330 units of affordable housing;
- » strengthen co-ops employing nearly 200 workers;
- » field 126 new inquiries and requests for assistance;
- » participate in over 40 educational activities for over 3,500 people;
- » help 34 existing co-ops improve operations.

We'll soon be asking our clients and collaborators from 2015 what they think of us, but meantime, the results of our client satisfaction survey conducted this past year tell us that we are providing great value. People see us as knowledgeable, committed, responsive, and organized, with "helpful" the word that comes to mind most strongly.

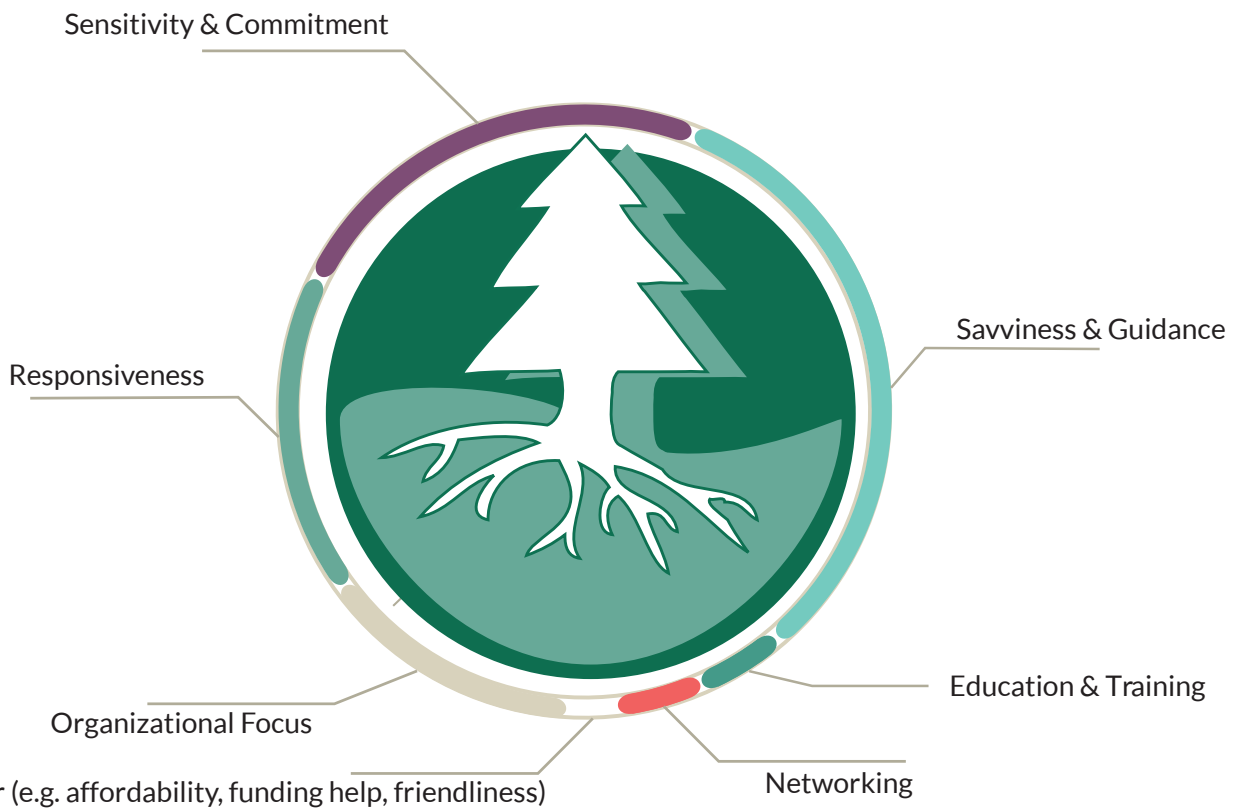


FY2015 Expenses Total: \$991,000



FY2015 Revenue Total: \$915,000

CDI's 2015 finances: Over 80% of expenses is dedicated to co-op development.



Why CDI: Top categories of responses named in CDI's Client Satisfaction 2014 and Outcome Measurement report

Bringing Co-ops into the Spotlight

“2015 is truly a booming co-op year,” our own Jessica Pooley told WERU. Whether the focus was housing, food, business conversions, or a vision for a cooperative future, CDI increased momentum by championing the co-op cause in the press and wherever we went.

In July, Executive Director Noémi Giszpenc was presented at the United Nations in New York as part of a panel on the U.N.'s Sustainable Development Goals. Noémi proposed that cooperatives be a central part of meeting the Goals since both share in making people's lives more dignified, peaceful, and free. The highlights of her speech, along with pictures from the event, are [available on our website](#).

CDI also showcased the value of cooperatives in the press. We made headlines in a number of major outlets in 2015 and brought our message to a number of local publications.

Among the major outlets, *YES! Magazine* ran two features penned by CDI staffers as part of New Economy Coalition's annual New Economy Week. One article summarized [the top 10 reasons to leave your company to your workers when you retire](#). The other covered [developments related to Maine Farm & Sea Cooperative's bid for the UMaine System contract](#) to supply 10,000 college students with local, co-op produced food. *Truthout*, too, featured [Maine Farm & Sea Co-op](#) with a lengthy article addressing the impact of their proposal from the perspectives of other organizers and especially students.

The record number of conversions from mobile home parks to resident owned communities drew attention in local papers from Vermont to Maine. Business conversions earned headlines in similar numbers, especially in industry journals following the story of the Island Employee Cooperative. Maine Farm & Sea Cooperative was featured in both local press and industry journals, including a lengthy piece on the innovative model in the USDA's *Rural Cooperatives*



CDI's dedication and effort earned the organization a lot of attention in 2015.

Magazine and profiles on both the co-op and Jonah Fertig in the *Portland Press Herald*.

We had several exciting opportunities to do public co-op education in 2015. Rob Brown was invited to the Mel King Institute to present a one-day workshop on cooperatives for economic development professionals. As part of a team including members of ICA Group, Cooperative Fund of New England, and Boston Center for Community Ownership, Rob introduced participants to the cooperative principles and gave his insights about development work.

Noémi reached a similar audience with [her Business Alliance for Local Living Economies article](#), which gave BALLE's audience an introduction to co-ops.

Noémi also [spent an hour talking with Vernon Oakes on the radio show Everything Co-op](#) discussing artist co-ops, the role black women have played in the co-op movement, and more.

In our first full year of publishing Ask Co-op Cathy, an occasional blog column, we published 11 articles, ranging from residency requirements to co-ops and food deserts, LLCs and taxes to cooperative housing. We invited knowledgeable authors to weigh in on the questions on people's minds. What new questions will Co-op Cathy receive and answer in 2016?

Finally, CDI staffers engaged in a legislative effort in Maine to refine and increase the resources available to cooperatives in that state. In fact, the bill would make Maine a national leader in providing financial and technical assistance to cooperative and employee-owned businesses. Our outreach involved education and discussion with legislators and constituents, even testifying in favor of the legislation.



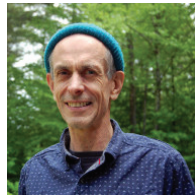
CDI supported this year's Worcester Roots Co-op Academy.

How CDI Changed and Grew in 2015

We were pleased to bring on Jonah Fertig at the start of 2015. His work supporting farm and food cooperatives has yielded among others the launch of the very exciting Maine Farm & Sea Cooperative. Jonah also works with the Small and Socially Disadvantaged Producers program providing resources to Maine's immigrant and native populations.



CDI's longtime Office Manager, Kathleen Fekete Bauerlein, headed off to a well-earned retirement at the end of May. She was with CDI since 2004, providing constant support and structure to staff, clients and partners alike. In her stead we brought on David Gowler in the Office Manager position, who comes from a background of organizing—in both the political and the management sense.



Matt Meyer also transitioned this year, moving his work further in the direction of cross-sector co-op organizing. To fill the gap in our housing team, we found Jason Brady, who now provides technical assistance to our NEROC communities. Jason comes from a community organizing background in Buffalo, NY, where he was also a founding member of the Nickel City housing co-op.



We also added Dawn Willett to our NEROC Program staff as Housing Program Organizer in Maine this year. Dawn was an intern for CDI immediately preceding her hire and she has also served as president of the board of the Resident Owned Neighborhoods Association of Maine.



Our board expanded in 2015, adding five new members. Maggie Cohn, Southeastern New England Loan and Outreach Officer for the Cooperative Fund of New England; Betsy Garrold, worker-owner at Fedco Seeds; TJ Holloway, Professor of Business Management at Eastern Maine Community College; Davis Taylor, professor at College of the Atlantic; and Emma Yorra, Co-Director of Cooperative Development at the Center for Family Life. Our former Chair, Erica Buswell retired from CDI board service, as did members Tanya Fields and Gloria LaBrecque. We're excited to have these wonderful new members sharing their wealth of knowledge and guiding CDI toward our vision of a cooperative economy in the Northeast.

Looking Forward to the Rest of 2016

Along with continuing the work we are doing to transform ownership of our economy and help residents to secure their housing, workers to secure their jobs, and producers to secure their place in a resilient food system, CDI has some new initiatives taking shape in 2016.

With major support from Cabot Creamery Co-op and others, we are launching a census of co-ops in New England and New York, starting with Vermont and Maine. The aim is to establish a reliable contact database that can be used for organizing events such as the [2016 VT Co-op Summit](#), advocacy campaigns, and other cross-sector co-op efforts. By partnering with the [Data Commons Cooperative](#), the information we gather will be displayed in easily searchable and updateable formats, such as on [maine.find.coop](#).

In line with the [Blueprint for a Cooperative Decade](#) prepared by the International Cooperative Alliance, there is a role for co-op associations to encourage greater participation in co-ops, raise the levels of co-ops' economic, social, and environmental sustainability, communicate the unique identity of co-ops, facilitate access to capital, and empower co-ops through enabling legislation. The vision is that doing all these things will help co-ops become the fastest-growing form of enterprise by 2020, because they meet so many of society's needs. CDI is supporting on-the-ground organizing taking place in Vermont, Maine, Boston, and New York to explore what co-ops can do together at the local and state level. Work will proceed

in Boston with the local Chamber of Cooperatives with CDI's support, including the first dues-funded benefits for their membership and planning for a legislative campaign.

Our programs offer many opportunities to meet the ICA's goals. The RONA program has been so successful that by March 2016 they will have 100% of all eligible members in their membership. The two newest communities to join are converting in February 2016. With the new additions, RONA is going to offer their 2015 benefits to the newcomers while the five communities entering their second year of RONA membership will embark on the RONA Disaster Preparedness Challenge.

We're also pleased to welcome new staff members to our team. [Marcel Gagne](#), now part of the BOS program in Maine, comes to us following a long career in workforce development, management education, and community and economic development, focusing on workplace empowerment. We're excited to get him started working with our new and forming worker cooperative clients. Our newest staff member, [Annik Paul](#) joins our NEROC program in Vermont, furthering her passion for creating and fostering healthy communities. She previously worked as a Resident Organizer for the Mobile Home Program providing housing counseling, referral services, resident organizing, and advocacy to mobile home park residents for a VT social services organization. She looks forward to continuing her work with residents of manufactured housing cooperatives.



Cooperative Development Institute

We're transforming ownership of our economy so all people can meet their basic needs.