

A news update from **CooperationWorks!**—the center of excellence for cooperative business development

## What's New



### CooperationWorks!

is a member service cooperative of cooperative business development professionals working together to revitalize communities through effective cooperative enterprise development.

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## RCDG Funds Leveraged for Creation of Resident-Owned Communities

**C**ooperationWorks co-operative development centers continue to invest time and resources to build economic sustainability across rural America. USDA's Rural Cooperative Development Grant funding is the largest financial contributor to assist these co-operative development centers. In recent years, cooperative development centers have successfully leveraged RCDG funds with ROC USA® certification and financial assistance to successfully create new and convert existing manufactured home communities into resident-owned communities across the U.S.

ROC USA is a nonprofit whose mission is to make quality resident ownership possible nationwide. As stated on the ROC USA website by its president, Paul Bradley, "our reason for being is to help homeowners gain economic security through resident

ownership of their "mobile home park" or manufactured home community ("MHC"). We are focused on doing one thing really well and doing it time and again for no other reason than to preserve and improve affordable communities and build value for homeowners in MHCs."

In the fall of 2009, CooperationWorks member, the Cooperative Development Institute became a Certified Technical Assistance Provider (CTAP) in the ROC USA Network, covering the territory of Connecticut, Rhode Island, and Massachusetts. CDI's starting budget consisted of the standard \$50,000 grant from the Corporation for Enterprise Development (CFED), a sponsor of ROC USA, \$10,000 of which CDI paid to the network to gain the needed training and materials.

Noémi Giszpenc, executive director of CDI explains, "The support of

both ROC USA and USDA has meant a great deal to CDI's success. Four of the five parks that we have converted from private or nonprofit ownership to Resident-Owned Communities are rural, which allowed us to use our annual RCDG resources to pay for a portion of staff time and travel." That staff time has included the work of CDI's housing program manager, Andy Danforth, who committed a minimum of five year and deferred compensation until the program could cover his salary.

In its first two years, the CDI ROC program operated with about \$30,000 annually of RCDG support. This was used to leverage about \$9 million in capital investment for resident ownership and improved infrastructure. As the number of converted communities in CDI's portfolio climbs, the ratio of RCDG support

**RCDG FUNDS** cont. on pg. 16



Co-op members of Sunrise Villa Cooperative in Minnesota, a ROC assisted by NCF, accept a celebratory gavel at the purchase of their manufactured home community.

**Inside: CenterNews** CooperationWorks! members facilitate a broad range of critical cooperative business development activities that enhance income and economic opportunity in communities across the county. Some of the Centers' current projects are detailed inside.

## CW OFFICERS

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*Food Co-op Initiative*

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*Food Co-op Initiative*

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*Southwest Co-op Development Center*

Tom Decker  
*National Cooperative Business Association*

### Advocacy

Kevin Edberg  
*Cooperative Development Services*

### Professional Development

Teresa Young  
*Northwest Cooperative Development Center*

### Urban

Lisa Stolarski  
*National Cooperative Business Association*

## CALIFORNIA COOPERATIVE DEVELOPMENT CENTER

For information, contact Kim Coontz at 530-297-1032 or [ekcoontz@cccd.coop](mailto:ekcoontz@cccd.coop)

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

## Worker Co-ops As Vehicle for Economic Development

Located on the central coast of California in Western Santa Barbara is the rural community of Lompoc. Like much of the country, the economic situation in Lompoc is tough—unemployment is almost 17%, which is among the highest statewide and nationally, recent job growth is negative and poverty rate is more than 15%. In addition, the cost of living in Lompoc is 21% higher than the national average while the per capita income in the community is 35% less than the California average and 26% less than the national average.

A little over a year ago, members of a local church in Lompoc began meeting to explore ways that they could help their community. They learned about cooperatives and contacted the California Center for Cooperative Development (CCCD). CCCD sent them information and began ongoing correspondence. Interested in learning how the cooperative model could alleviate unemployment, three members of the group attended CCCD's annual cooperative conference. They shared this information they learned at the conference with others, and invited CCCD to meet with the group in Lompoc.

Today, the small group of church members who studied cooperatives has grown to include community leaders from different faiths who are deeply rooted in the Lompoc community and now call themselves the Lompoc Cooperative Development Project. With support from USDA's Rural Cooperative Development funds, the California Center for Cooperative Development is providing technical assistance to the group. While the immediate goal is

to start the first cooperative business by late fall, 2012, the vision is to start a cooperative development incubator that will be used to start many independent cooperative businesses.

The incubator will provide development assistance to create new worker cooperatives, including business feasibility study, business plan, co-op organizing and member development. Over time, the incubator will establish a revolving loan fund that will assist with initial start-up costs. The incubator will maintain an ongoing supportive relationship with the cooperatives after they are established by providing accounting, tax, legal, and education assistance.

In January, fifteen members of the Lompoc Cooperative Development Project (LCDP) participated in a 2-day strategic planning session CCCD facilitated to map out a strategy for cooperative economic development in Lompoc. "The worker cooperatives LCDP develops will aim to be diverse in job characteristics and skill levels, address unmet community needs, and create jobs that employ Lompoc residents," explains Kim Coontz, Executive Director of CCCD. Using the criteria for selecting businesses developed during the session, the first Lompoc worker cooperative will be an environmentally "green" cleaning service business.

LCPD volunteers include two former Lompoc city council members, a retired Lompoc City Manager, the



*A task group of the Lompoc Cooperative Development Project uses the criteria set by the larger group to select the three top business ideas for the first worker cooperative.*



*Members of the Lompoc Cooperative Development Project gathered for a photo at the end of the second day of their strategic planning session in January.*

former and current CEO of the Lompoc Chamber of Commerce, a local pastor and other committed community members. They have formed workgroups to support the development of the first cooperative. The feasibility workgroup is collecting information to evaluate the demand, related existing businesses and resources which CCCD will incorporate into the feasibility study and business plan. The fundraising workgroup is identifying local foundations and organizing community fundraising events. The communications workgroup keeps the community apprised of the project and its progress. As of last week all five current members of the Lompoc City Council have joined the project in an advisory capacity.

The Lompoc Cooperative Development Project is truly a locally based, collaborate endeavor to use the cooperative business model to transform the community.

## CENTER FOR COOPERATIVE FOREST ENTERPRISES

For information, contact Harry Groot at 540.639.3077 or [harry@nnfp.org](mailto:harry@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.*

### Forest Cooperatives Convert Low-Value Forest Products into Revenue

CCFE rang in the New Year with a transition from its founding Director, Scott Bagley, to Harry Groot, who had been working with the Center as a consultant after stepping down as the CEO of the Blue Ridge Forest Cooperative in 2010. Scott is now applying his knowledge and experience in developing two cooperative forest enterprises in Southeastern Ohio and spending time with his new daughter.

CCFE has been noting the shift in emphasis of forest-product cooperatives away from high-end value addition products (such as flooring, millwork, and furniture) into lower-end products (like biomass, firewood, biochar, and charcoal). Part of this shift has been driven by the depressed housing market and the downturn in all things construction-related, but part of the shift is also due to forestry cooperative member's desire to improve the forests they steward.

The bulk of what comes out of the forest during its lifetime are lower quality trees which either need to be removed to make room for better quality trees (known as timber stand improvement or TSI) or because of death (or imminent death) due to insects, disease, or overcrowding (known as forest health or fire reduction removals.)

These lower quality trees yield logs which make it difficult to generate a profit. They either take a lot of investment to generate high-quality products—typically

with a lot of waste—or they just aren't suitable at all and would be better left in the woods to become soil (though, in drier regions this material becomes fuel for fires.)

CCFE is working with a number of forest cooperatives and cooperative forest enterprises (CFE) who have been pursuing value addition businesses which capitalize on the lower value inputs.

The Commonwealth Colliers Association is a Virginia-based CCFE client which makes natural charcoal and collectively markets it to barbeque aficionados. The Oregon Woodland Cooperative is working with CCFE to develop a scale-up plan to meet the growing demand for its premium bundled firewood and kindling. An emerging CFE in Arizona is working with another CFE in New Mexico to use chipped wood in an erosion control product in the region's surface mines. And in Ohio, CCFE is working with a client to develop a mobile solar dryer augmented with a wood-fueled boiler to dry firewood, biomass (chips), as well as to sell heat into a district heating system.

All these cooperative forest enterprises are converting low-value (often NO-value) forest products into a value stream to offset the cost of forest stewardship efforts by their members, and CCFE is honored to be able to assist them in their endeavors.

## COBANK

For information, contact Sarah Tyree at 202-650-5864 or [styree@cobank.com](mailto:styree@cobank.com)

*CoBank is a \$58 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. CoBank is a member of the Farm Credit System.*

### New Initiative to Assist Small and Emerging Cooperatives

To help fulfill its mission of serving as a dependable provider of credit to vital industries throughout rural America, CoBank has launched a new initiative to reach out to small and emerging cooperatives, rural infrastructure providers and rural communities.

CoBank is a cooperative bank that serves agribusinesses, rural infrastructure providers and Farm Credit associations throughout the United States. CoBank recognizes that in the diverse and complex landscape of rural America, some small or emerging cooperatives and rural infrastructure providers are being overlooked when it comes to financing and other technical assistance.

Through its Growing Rural America initiative, and in partnership with Farm Credit associations, cooperative development centers and those committed to the development of rural America, CoBank wants to help those entities to grow and succeed. The challenges they face aren't terribly different from what many of today's successful agricultural cooperatives and rural infrastructure providers once had to overcome—undercapitalization, lack of financial tools tailored to meet their needs and inadequate technical support to build their businesses.

“To truly fulfill our mission and strengthen our rural



*Firewood processor in Maples, WI*



*Biomass-fueled boilers for co-housing complex in NH*



*Oregon Woodland Co-op Bundled Firewood Producers*



*Energy Tree Test Pilot near Ashland, WI for biomass chips*



## NEW MEMBERS

Help me welcome our newest members of CooperationWorks!

Ed Whitfield

Fund for

Democratic Communities

Alexandria Jones

Fund for

Democratic Communities

Yolanda Cotterall

Latino Economic

Development Center

John Flory

Latino Economic

Development Center

Jaime Villalaz

Latino Economic

Development Center

communities, we want to serve those small or emerging cooperatives and rural infrastructure providers whenever possible," said Andrew Jacob, CoBank's executive vice president of Regulatory, Legislative and Compliance.

One of the foundations of the Growing Rural America initiative is a program called Co-op Start. It is designed to help boost emerging and small agricultural cooperatives through innovative financing, business mentorship and training. The program is made possible by partnering with co-op development centers and others throughout the country.

CoBank has long served cooperatives of all sizes, but the Denver-based financial institution wants to ensure that small cooperatives in rural areas are having their needs met as well. This outreach is done in partnership with cooperative development centers, industry groups and government programs.

"We believe that thriving cooperatives and vibrant rural communities are not only the building blocks for success in American agriculture, but they're also the foundation of a strong, stable country," Jacob said.

CoBank will continue to support Farm Credit associations across the country in their efforts to provide financing, mentoring, outreach and education to young, beginning, small and minority farmers. These farmers and ranchers are the next generation of Americans who will put food on the plates of a growing world. The cooperative bank also financially supports the System's national outreach efforts with Young, Beginning and Small Farmers and minority farmers and ranchers.

CoBank's initiative also addresses access to quality health care, which is vital to the prosperity of rural communities. The bank's innovative Agricultural and Rural Community (ARC) bond program helps build essential community facilities, such as hospitals and health clinics, through an additional source of stable, dependable and flexible financing. Investments are made in partnership with other Farm Credit organizations, community banks and the USDA Rural Development Agency. CoBank also can use ARC bonds to meet other capital needs of agribusinesses and rural communities.

CoBank continually seeks opportunities to enhance its service to the agricultural industry and rural communities in partnership with others. CoBank is committed to serving its mission in a customer-focused manner each day.

## COMMON ENTERPRISE DEVELOPMENT CORPORATION

For information, contact Bill Patrie at 701-663-3886 or [bill@cedc.coop](mailto:bill@cedc.coop)

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

### Through Legacy Event, Rod Nilsestuen Continues to Inspire

Common Enterprise Development Corporation sent two of its employees to the Rod Nilsestuen Legacy Event



Judy Ziewacz leads a panel on the local impact of co-ops at the Rod Nilsestuen Event in River Falls, Wisconsin

held at the University of Wisconsin in River Falls. The connection to Nilsestuen goes back to 1990 when CEDC's executive director, Bill Patrie, left the North Dakota Economic Development Commission to work for the North Dakota Association of Rural Electric Cooperatives. Patrie recalls, "early in my development work, especially in organizing Dakota Growers Pasta Cooperative, Nilsestuen (then executive director of the Wisconsin Association of Cooperatives) would send me encouraging notes, he was a positive force of encouragement." Nilsestuen also led the National Cooperative Business Association's effort to create federal funding through the United States Department of Agriculture for domestic cooperative development centers.

Nilsestuen's efforts to establish domestic cooperative development centers has resulted in a network of professionally staffed centers and solo practitioners across the country. It was the founding impetus for CooperationWorks. Nilsestuen eventually became the Secretary of Agriculture in Wisconsin and Patrie left the NDAREC to join NorthCountry and then form Common Enterprise.

The other connection between CEDC and Nilsestuen is cooperative education. CEDC through its Hanover, Minnesota employee Sarah Pike, serves as the administrative director for the Association of Cooperatives (ACE). ACE has been connected with college based educators in the United States, Canada, and the Caribbean and has been supported by two foundations, the Cooperative Foundation and the CHS Foundation. CHS Foundation executive William Nelson is one of the principle organizers of the legacy event and one of the leaders, through the Ralph Morris Foundation, in raising money to keep the Nilsestuen legacy alive.

Cooperatives of all kinds have a kinship with Nilsestuen. He believed in the power of people to cooperate and advance their common good. At his induction ceremony into the Cooperative Hall of Fame, Nilsestuen quoted Marianne Williamson from her book "Return to Love". Here it is as a testament to Rod Nilsestuen, a pioneer for cooperative development. "Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness, that most frightens us. We ask ourselves, who am I to be brilliant, gorgeous, talented, and fabulous? Actually, who are you not to be? You are a child of God. Your playing small doesn't serve the world. There's nothing enlight-

ened about shrinking so that other people won't feel insecure around you. We are all meant to shine, as children do. We are born to make manifest the glory of God that is within us. It's not just in some of us, it's in everyone. And as we let our own light shine, we unconsciously give other people permission to do the same. As we are liberated from our own fear, our presence automatically liberates others."

## COOPERATIVE DEVELOPMENT INSTITUTE

For information, contact Noemi Giszpenc at 413-665-1271 or [ngiszpenc@cdi.coop](mailto: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 startup cooperatively-structured enterprises.*

### "Co-op Fever" Spreads Through Maine

In the heart of winter in Unity, Maine, about 120 people gathered for a sold-out conference: "By Land and By Sea: Leveraging the Co-op Model for Business Success." Organized by the Eat Local Foods Coalition, a state-wide collaborative coalition "that seeks to put more Maine food on more Maine tables more often," the event drew farmers, fishermen, funders, officials, community organizers, and more. Was it the chance to hear from experienced Maine co-operators, such as FedCo Seeds and Port Clyde Fresh Catch? The opportunity to participate in workshops about co-op basics, governance, marketing, and financing? The networking and buzz of ideas? Or the delicious lunch prepared by Local Sprouts, a Portland worker co-op? We know for sure that more than one person said they went home with "co-op fever"!

Whatever brought these folks to the homey Maine Organic Farmers and Gardeners Association Common Ground Education Center, it's certain that they took away as much energy as they brought. Since the conference, the Cooperative Development Institute has received half a dozen inquiries for buying clubs, co-op markets, farmers' co-ops, and food hubs. Moreover, a Maine philanthropist whose goal is creating a "cooperative economy" added housing to food-related endeavors. CDI will leverage a 2-year, \$60,000 investment to provide technical assistance to the more than 500 manufactured home parks in the state, giving residents the option of banding together and buying the parks from private owners to run them as resident-owned cooperative communities. (See lead article.)

Cooperative Maine, the state-wide association of cooperative leaders, which has been operating on a volunteer basis for several years, is also stepping up its game. Discussions have begun to determine the mix of services that co-ops in the state would want to have provided by a second-tier co-op of co-ops, such as lobbying, joint marketing, and education. A series of visits and interviews with the state's co-ops (there are 152 according to the



*Co-op Fever catching among attendees at the January 2012 "By Land and By Sea: Leveraging the Co-op Model for Business Success" conference in Unity, Maine.*

University of Wisconsin research, and over 200 listings in the prototype "maine.find.coop" online directory) will guide the organization's next steps in its development.

Meanwhile, CDI and Cooperative Maine are teaming up to design and present a one-day intensive program for people who want to become "co-op ambassadors" to their communities. "How to Talk Cooperative" will be offered for free in April to a maxed-out crowd of 25 eager co-op communicators, and plans have already started for subsequent presentations. Participants will learn "to speak confidently and competently" about cooperatives, what makes them different, and what types there are along with successful examples and resources for giving informal presentations.

All this activity fits into a larger picture, not just of the 2012 International Year of Cooperatives, but a movement toward sustainability and social justice. Maine has the potential of being food and energy self-sufficient, and people realize that cooperation can help get it there. At the same time, Maine residents are concerned about poverty, exclusion, joblessness, and social breakdown, and see cooperative economic activity as a viable pathway toward a society that works for all. They are catching "co-op fever" to make their communities healthier.

## COOPERATIVE DEVELOPMENT SERVICES

For information, contact Kevin Edberg at 651-287-0184 or [kedberg@aol.com](mailto:kedberg@aol.com)

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

### A New Co-op to Incubate Urban Redevelopment

On March 29, over 40 individuals and families gathered in a local church to celebrate the first annual meeting



## INTERESTED

*in becoming a member in the largest growing co-op developer organization in the country?*

## JOIN

### CooperationWorks!

Contact Susann Mikkelsen at 719-648-9510 or [susann.mikkelsen@co-ops.org](mailto:susann.mikkelsen@co-ops.org) to learn more about membership.

Or visit the CW website at [www.cooperationworks.coop](http://www.cooperationworks.coop)

of the North East Investment Cooperative (NEIC), a new urban co-op dedicated to using the democratic and cooperative control of capital to support the re-development of the Central Avenue corridor of Northeast Minneapolis, Minnesota.

Central Avenue is the once-vibrant commercial core of Northeast Minneapolis. While not poor enough to attract substantial state or federal redevelopment aid, the corridor is also not rich enough to attract investment by major national chain businesses. Changes in transportation patterns, neighborhood demographics, and ownership of key business property by folks outside the community have all resulted in a substantial number of persistently vacant storefronts and run-down properties.

Over the past year, a determined group of neighborhood residents incubated the idea of a cooperative that would purchase and renovate commercial properties, and then patiently work with selectively chosen young businesses to structure rents and facilities that can be successful in the long run.

The model is somewhat unique; only a couple other such co-ops could be found in North America. The investor class of owners will likely not be patrons of the business; their rewards will come from limited returns on invested capital, plus the satisfaction of seeing a renewed neighborhood resulting from cooperative action. (The patron member class will be the renters of the renovated properties; their patronage will result from net income generated over time from rents paid by prospering businesses like themselves).



*Founding NEIC gather at the co-op's first annual meeting.*

Leadership for the effort came from many places, but particular cooperative contributions came from board members and staff of Eastside Food Co-op, an eight year old food co-op with over 4000 members in the community. Every spring, the co-op hosts their "Cooperative Ponder," a community meeting to identify needs that can be met through cooperative action. The success of Eastside, after many years of hard work, has shown the value of individuals working together to achieve shared success and to build community capital.

Assistance also came from Cooperative Development Services (CDS). CDS staff helped the group think through issues of organizational structure and patronage, provided referrals to skilled attorneys, and made multiple community presentations to educate about the cooperative model.

To date, articles and bylaws have been filed; almost 50 members have paid or pledged \$1000 each to be a founding NEIC member; a 9-member board of directors has been elected; active committees have been established, including one to identify the first property for acquisition and renovation. Cooperative economy is growing on Central Avenue!



*Founding members of Native Style Embroidery and Arts Co-op*

...and a New Worker Co-op in the Red Lake Nation

A dynamic group of five women of the Red Lake Nation in northwestern Minnesota decided that, by using their collective talents and skills, they could create a pathway to financial independence by providing embroidery, silk screening services, and sales of Native artwork. So was born Native Style Embroidery & Art Cooperative, a start-up worker-owned business incorporated under Minnesota's cooperative statutes, and licensed for business by the Red Lake Nation.

Working with Judy Cutler, a Native organizer, and CDS, the group identified an initial market for embroidery and silk screening, refined their business concept, and developed an initial business plan and pro forma budgets. Their work has been formally endorsed by the tribal government, whose economic development organization is now helping the group with capitalization and business start-up.

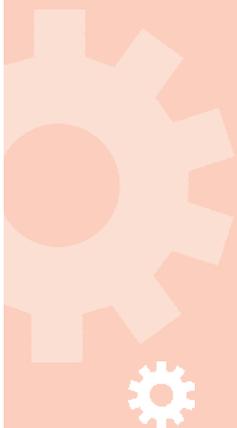
## FOOD CO-OP INITIATIVE

For information, contact Stuart Reid at 507-664-2034 or [stuart@foodcoopinitiative.coop](mailto:stuart@foodcoopinitiative.coop)

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

### Community Organizing Techniques Used to Grow Cooperatives

Last month, Food Co-op Initiative launched a new workshop designed to help co-op organizers become better community organizers. Consumer co-ops need a lot of support to fund a new store, especially when it comes to raising capital and building commitment to future patronage. This commitment is measured, to a large extent, by how many owner-members have joined the co-op. "As we watched dozens of startups struggle to reach their membership and capitalization goals, we realized that even those founding teams that achieved impressive early recruitment often found it difficult to maintain that momentum once the initial, core supporters had joined," explains Stuart Reid, executive director of FCI. When membership growth starts leveling off and each new owner





*Jake Schlachter teaches the East Aurora co-op how community organizing can be used to grow the co-op.*

seems harder to find, many co-ops find it difficult to maintain enthusiasm and momentum—forward progress slows and the community starts asking, “how long before we see our store?”

Why does this plateau effect happen to so many startups? How do some founding teams overcome it, or even avoid it altogether? The answer lies in the dual nature of cooperative organizations. The ICA says, “A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.” While an autonomous association of persons united voluntarily can readily identify their need for a co-op and find resources that define the steps and tasks involved in creating their jointly-owned and democratically-controlled enterprise, there is little likelihood that they have ever been trained to bring together a community around a shared vision and used that collective power to form a business enterprise.

Using the experience of community organizers as a guide, Jake Schlachter has put together a day-long training program for co-op organizers that helps them to understand how to share their personal stories to inspire others. The East Aurora Co-op in upstate New York participated in the inaugural class.

## INDIANA COOPERATIVE DEVELOPMENT CENTER

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

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

### “Up and Coming, Up and Running 2012” Educates and Energizes New Start-ups

For the third year in a row, the Indiana Cooperative Development Center (ICDC) was the primary administrator of the “Up and Coming, Up and Running” Food Co-op Start-up conference, in Bloomington, Indiana, on March

8-10, 2012. This year’s gathering attracted 81 participants (including facilitators), representing 22 co-op startup projects and an additional number of established co-ops. Conference evaluations were resoundingly positive, emphasizing the chance to share stories, learn from experienced practitioners, and focus on specific dimensions of the startup process.

What began in 2010 as mostly a regional conference this year attracted participants from twelve states: Alaska, Illinois, Indiana, Kansas, Minnesota, Missouri, New Mexico, New York, Ohio, South Carolina, Virginia, and Wisconsin. Workshops in two categories (“Laying the Foundation” and “After the Paint Dries”) took place on Friday and Saturday, with sessions in four tracks. A total of 21 presentations were offered, nearly double the number of previous years.

Bloomingfoods Market and Deli is the host co-op for the conference, providing buffet lunches and, with CDS consultant Mark Mulcahy, offering a pre-conference workday on prepared foods that included a store tour and a trip to the co-op’s Commissary Kitchen.

One much-appreciated dimension of the conference is the chance to schedule one-on-one exploratory consultations with workshop presenters. One of the featured consultants, Bill Gessner, has assisted over 250 cooperatives with startup and expansion plans. Bill developed the Four Cornerstones in Three Stages model for cooperative development.



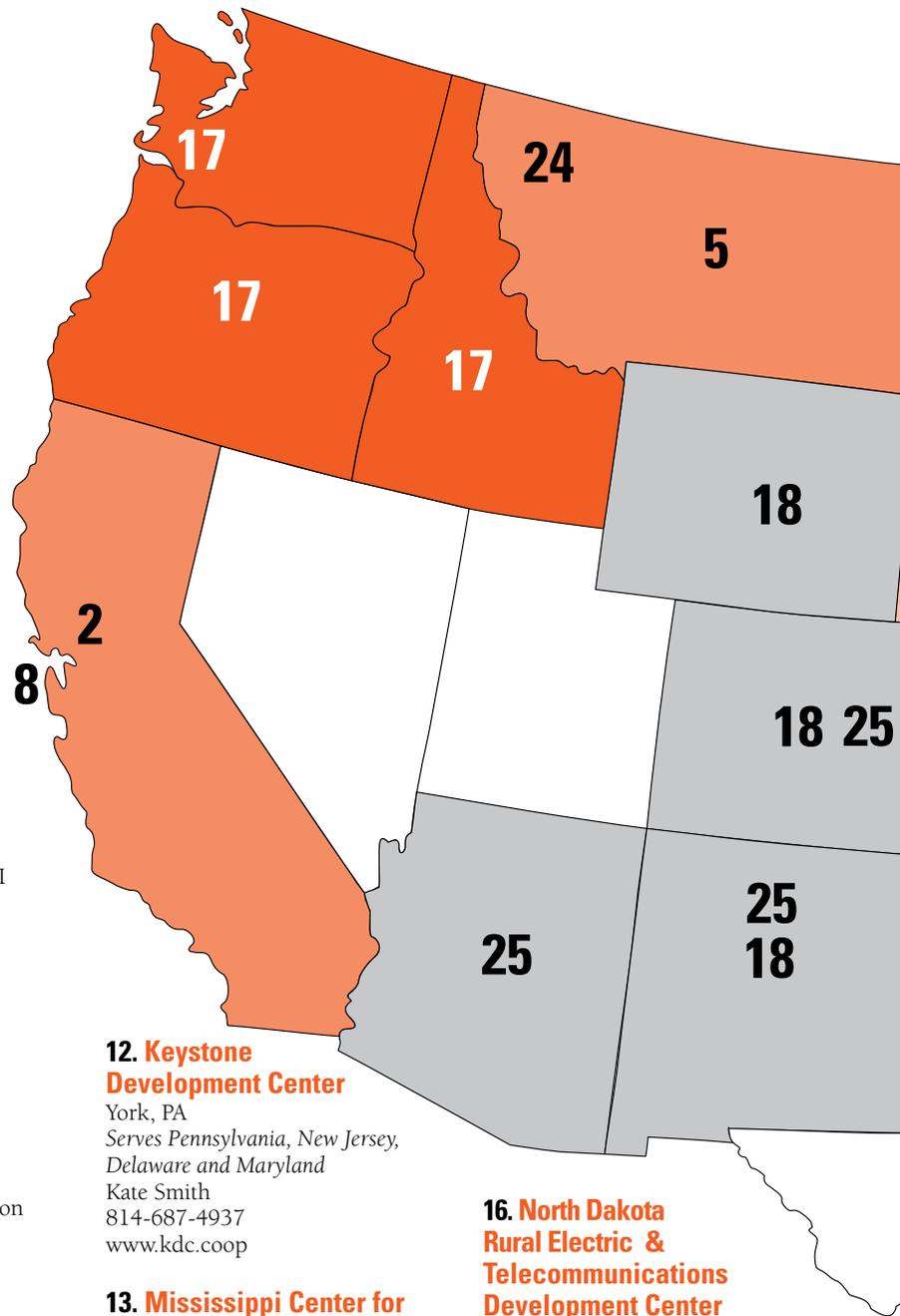
*Participants from many parts of the country gathered for the “Up and Coming, Up and Running” conference.*

“In addition to all the great learning opportunities for participants and presenters, Bloomingfoods and ICDC have found a very effective way to support the efforts of start-up food co-ops,” said Bill Gessner. “What began as a way for Bloomingfoods to support regional co-op development has evolved into a model that could work for any geographical region.”

From its inception in 2010, “Up and Coming, Up and Running” has provided support to groups trying to get new food co-ops started, from the initial community organizing phase through the earliest years of operation. Sessions emphasize the four cornerstones needed to build a successful co-op enterprise: vision, talent, capital, and systems.

“‘Up and Coming, Up and Running’ gives participants a chance to learn from some of the best consultants available, in very focused workshops designed to help them with more integrated cooperative planning,” said Debbie Trocha, executive director of the Indiana Cooperative

# Where We Are



## 1. Arkansas Rural Enterprise Center

Little Rock, AR  
Serves Arkansas, Missouri, Oklahoma and Louisiana  
Sydney Ross  
501-280-3078  
www.winrock.org

## 2. California Center for Cooperative Development

Davis, CA  
Serves California  
Kim Coontz  
530-297-1032  
www.cccd.coop

## 3. Democracy Collaborative

Takoma Park, MD  
Ted Howard  
301-237-2135  
www.democracycollaborative.org

## 4. CoBank

Washington, DC  
Serves the entire United States  
Sarah Tyree  
202-650-5864  
www.cobank.com

## 5. Common Enterprise Development Corporation

Mandan, ND  
Serves Minnesota, Montana, North Dakota and South Dakota  
Bill Patrie  
701-663-3886  
www.cedc.coop

## 6. Cooperative Development Institute

South Deerfield, MA  
Serves Vermont, New Hampshire, Maine, Rhode Island, Connecticut, Massachusetts and New York  
Noemi Giszpenc  
413-665-1271  
www.cdi.coop

## 7. Cooperative Development Services

St. Paul, MN & Madison, WI  
Serves Wisconsin, Minnesota and Iowa  
Kevin Edberg  
651-287-0184  
www.cdsus.coop

## 8. Democracy at Work Institute

San Francisco, CA  
Melissa Hoover  
415-379-9201  
www.usworker.coop/education

## 9. Indiana Cooperative Development Center

Indianapolis, IN  
Serves Indiana  
Debbie Trocha  
317-692-7707  
www.icdc.coop

## 10. Iowa Alliance for Cooperative Business Development, Iowa State University

Ames, IA  
Serves Iowa  
Darren Jarboe  
515-294-2342  
www.isucoops.org

## 11. Kentucky Center for Agriculture and Rural Development

Elizabethtown, KY  
Serves Kentucky  
Larry Snell  
270-763-8258  
www.kcard.info

## 12. Keystone Development Center

York, PA  
Serves Pennsylvania, New Jersey, Delaware and Maryland  
Kate Smith  
814-687-4937  
www.kdc.coop

## 13. Mississippi Center for Cooperative Development

Jackson, MS  
Serves Mississippi  
Myra Bryant  
601-354-2750  
www.mississippiassociation.coop

## 14. Center for Cooperative Forest Enterprises

Athens, OH  
Serves Central Appalachia, but also works with members across the US  
Harry Groot  
740-593-8733  
www.nnfp.org

## 15. Nebraska Cooperative Development Center

Lincoln, NE  
Serves Nebraska  
Jim Crandall  
308-995-3889  
ncdc.unl.edu

## 16. North Dakota Rural Electric & Telecommunications Development Center

Mandan, ND  
Serves North Dakota  
Lori Capouch  
701-663-6501  
www.ndarec.com/RE&TCenter.htm

## 17. Northwest Cooperative Development Center

Olympia, WA  
Serves Washington, Oregon, Idaho, Alaska and Hawaii  
Diane Gasaway  
360-943-4241  
www.nwcdc.coop

## 18. Rocky Mountain Farmers Union Cooperative Development Center

Denver, CO  
Serves Colorado, New Mexico and Wyoming  
Bill Stevenson  
303-283-3549  
www.rmfu.org





**CENTER NEWS**, cont. from page 7

Development Center. "It's great to have logistical, on-site, and staff support from Bloomingfoods."

Sponsors this year included Bloomington Cooperative Services, CoBank, Cabot Creamery, Equal Exchange, Food Co-op Initiative, the Howard Bowers Fund of the Cooperative Development Foundation, ICDC, National Cooperative Grocers Association, Northcountry Cooperative Development Foundation, and UNFI. The Ralph K. Morris Foundation provided some scholarships to participants.

"The Up & Coming conference should be required training for all retail food co-op organizers," Stuart Reid, of Food Co-op Initiative, observed. "There is no other place where a new co-op can get as much guidance, advice, and support. Participants leave with new tools and the inspiration and motivation to use them."

Bio: Ellen Michel is Marketing and Outreach Manager for Bloomingfoods, and the board chair of ICDC.

## KENTUCKY CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT

For information, contact Larry Snell at 270-763-8258 or [lsnell@kcard.info](mailto:lsnell@kcard.info)

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

### Kentucky Value-Added Agriculture Partnerships Result in Delicious Success

Brooks Meats in Walton, Kentucky began with the dream of owner Steve Brooks. After years of working in the slaughter business, Brooks had a vision of creating a butcher shop and retail market where people could come and get local, top grade meats, and farm fresh produce. In 1985 Brooks and his wife Mary Catherine decided to go after the dream and opened Brooks Meats.

"We opened that first store with just 3,000 square feet of space," explained Steve. "Today we have over 28,000 square feet with a full-service butcher shop, deli, restaurant, and catering service."

Brooks Meats has also become known in the community for the variety of fresh local meat products it creates, thanks to Stefan Nuemann the master butcher and sausage maker at Brooks.

"We were just unbelievable lucky to meet Stefan when we did and to have him join our team at Brooks," said Steve. "I wanted to take a new direction in our meats, and he has been the person to help get us going in the direction we wanted to go."

Stefan had been in the food and meats business his whole life and was trained in Germany as a master craftsman in butchery and sausage making.

Steve and Stefan began working together to create a



*Stefan Nuemann, Steve Brooks, and Mary Catherine Brooks are excited about the array of farm fresh products they provide to their consumers, like their new chicken apple brats created by Stefan especially for Brooks Meats.*

line of value added meat products for the business when they were approached two years ago by Rich Laing with the Kentucky Center for Agriculture and Rural Development (KCARD).

"Rich had heard about us because of our work with Kentucky Proud," said Steve. "We began working with him on a business profile, looking at our distribution operation, and looking for ways to incorporate other Kentucky Proud products into our business."

One of the first partnerships for Brooks was with another KCARD client Evans Orchard. Rich initially came to Brooks with the idea of providing a fresh Kentucky Proud pulled pork product for Evans to sell at their orchard café, but Stefan had another idea, an apple-infused pulled pork barbecue.

"I wanted to do something for them, so I put something together using their apples," explained Nuemann. "We were looking to find a way for Evans Orchard not just to promote our product but their product as well, and what better way than to combine both."

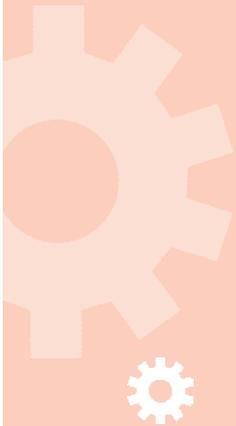
"We love the pulled pork! It has been a hit now for two seasons at the café, in fact it has become one of our most popular items," Jenny Evans said. "We also sell it in two-pound tubs, and many people usually buy some after they try the sandwich."

The success with the product at Evans Orchard the first year inspired Rich to look for other partners for Brooks, and last year Brooks partnered with Haney's Appledale Farms in Somerset, Kentucky.

"It has been a great addition to our orchard market," said Mark Haney. "We also worked with Brooks to make the Haney's Pulled Pork available at a local restaurant, and it has been a win-win for both our business and Brooks."

"Evans Orchard and Haney's have experienced huge success in promoting the branded pulled pork product, so we have identified additional partners to work with in 2012 that would experience similar benefits provided by this business network alignment," explained Laing. "Also Stefan and Steve have developed new products to offer at these venues including cinnamon apple brats and an apple cider infused pork loin."

KCARD's work with Brooks doesn't end with the branded orchard products, Laing is also working with the company to assess the potential to target the Louisville and I-65 south market corridor with their line of over 30



varieties of sausage and other value-added meat products.

“Brooks Meats was established to provide our customers, our neighbors, with a great selection of fresh local meats,” said Steve. “Working with Rich has helped us expand our partnerships with Kentucky producers, and Stefan has been amazing to take those relationships and create unique Kentucky Proud products that set Brooks Meats apart from others in the marketplace.”

## KEYSTONE DEVELOPMENT CENTER

For information, contact Cathy Smith at 814-687-4937 or [smith@kdc.coop](mailto:smith@kdc.coop)

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

### KDC Assists Clients Secure Grant Awards

In early February, 2012 the USDA announced it had selected 298 recipients in 44 states and Puerto Rico to receive business development assistance through the Value-Added Producer Grant (VAPG) program. The grants totaled over \$40 million. KDC was involved in three of the ten VAGP funded in Pa. The total amount of the grants awarded to projects for which KDC was directly involved is \$372,600.

The VAPG program goal is to promote small-business expansion and entrepreneurship opportunities by providing local businesses with access to capital, technical assistance and new markets for products and services. Funds may be used for feasibility studies or business plans, working capital for marketing value-added agricultural products and for farm-based renewable energy projects. Eligible applicants include independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Value-added products are created when a producer increases the consumer value of an agricultural commodity in the production or processing stage.

KDC's client, the Endless Mountains Farm Fresh Cooperative received a planning grant to investigate expanding into the Scranton, Pennsylvania and the Binghamton, New York areas. The farmer cooperative markets their vegetable, dairy, and meat products together.

“KDC will help the group gather information through a series of focus groups,” Kate Smith, executive director of KDC explains, “the focus group data will then be combined with other information and compiled into an expansion strategy and feasibility study.”

KDC is also assisting the Keystone Beef Marketing Network (KBMN) with building their marketing strategy and feasibility study. KBMN is being organized by producers to facilitate the aggregation of cattle for shipment. KBMN received a VAPG planning grant in support of their investigation of feasibility of their business model. KDC is providing advice on the feasibility process.

The third VAPG for which KDC played an important role went to the Fertile Grounds Farm. The farm received

a working capital grant, partially based on the feasibility study and business plan KDC did for the farm as a fee-for-service project.

KDC has been involved with these three groups over a long period of time. “In one case we made them aware of the grant opportunity. For all three, we provided detailed information about the VAPG and the regulations.” Smith said. For the Endless Mountains Farm Fresh Cooperative, KDC wrote the proposal for the group. The combined grant funding for the three projects will make a big impact on several rural communities touched by these three groups.

## MARILYN SCHOLL

For information, contact Marilyn Scholl at 802-387-6012 or [marilyscholl@cdsconsulting.coop](mailto:marilyscholl@cdsconsulting.coop)

*Marilyn Scholl is an individual member of Cooperation-Works. She specializes in leadership development, board training, facilitation and membership development. Scholl has worked with food cooperatives for more than 30 years, including nine years as a general manager and nine years with the University of Wisconsin Center for Cooperatives. She also serves as the manager of CDS Consulting Co-op, a shared services co-op owned by its consultants.*

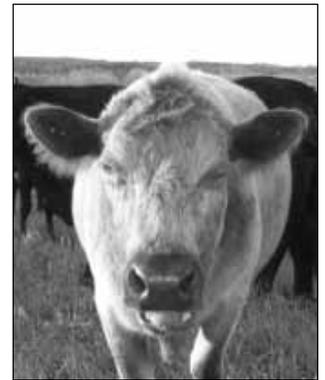
### CDS Consultant, Bill Gessner, Inducted into Co-op Hall of Fame

Long time co-op developer Bill Gessner likes working with people. You'll find him wherever groups are creating plans for the future. Throughout his career, Bill has worked with hundreds of food co-ops. His ability to work with diverse groups of people has helped the food co-op sector grow and thrive.

For all that he has accomplished, Bill will be inducted into the Cooperative Hall of Fame on May 2 this year in Washington, DC. For Bill himself, it is a great honor, but he's not especially comfortable in the spotlight. “I can easily think of a hundred co-op leaders that should be honored ahead of me,” he said. That's what makes it especially sweet that he will be recognized for his contribution. The guy never takes the credit.

It's also part of why he's an especially masterful leader. Bill never sets himself up as The Expert. By sharing information and technique, groups are empowered to do their own planning and development. In this way he is truly a cooperative leader, wherein the people he works with are the architects of the decisions they make. This doesn't mean he's laid back; absolutely not. He can be downright dogged. Bill will never give up. Never. Even if you call him at the eleventh hour and your co-op is on the brink of closing. In all his work with food co-ops, he's “only lost one” as he put it. He's been a backbone for those who need the support, and the X factor in so many organizations' success.

Like a lot of people who achieve greatness, he was shaped by formative experiences when he was young. Bill grew up an only child in Minot, North Dakota, and he recalls “wanting to be anywhere but there.” North Dakota to his mind was remote and isolated, and he longed for new experiences. Even though he felt that way at the



Bill Gessner will be inducted into the Cooperative Hall of Fame on May 2, 2012.

time, he now believes that it was a great place to grow up. Bill was exposed to the realities of retail when he worked in his father's paint and glass business during high school. Bill set up a separate picture framing department that did very well.

Bill's first employment with cooperatives occurred in 1974 when he was hired as a milk tester by a cooperative association of dairy farmers in southeast Minnesota. Not only did it expose him to farm life, but he got to know the families of the co-op members. He was often invited to breakfast and dinner after the milking. "It was a beautiful thing, and I loved it," he said.

Bill moved back to North Dakota and became involved with the Grand Forks Food Co-op (now called Amazing Grains) becoming a coordinator/manager there in 1976, which meant "helping with whatever needed to be done," explains Bill. He organized his first co-op expansion/relocation in 1978 leading the co-op to a new and expanded location.

In 1979 Bill moved to Minneapolis, where he currently lives, and took a bookkeeping job with Roots & Fruits Cooperative Produce, and later managed it for three years. In 1987 he began to take on expansion consulting projects. Soon enough he had more work than he could handle. In 1991 he founded the food co-op consulting group through Co-op Development Services (CDS). In 2008, the group had grown to 20 consultants and became independent, incorporating as a co-op now called the CDS Consulting Co-op.

Bill is best known for his work with food co-op expansions and relocation projects, and by his estimate has participated in close to 300 successful projects. Bill has been pivotal in some of the food co-op sector's most strategic decisions over the years. He nurtured the idea of cooperatives creating organizations and alliances to meet their common needs. His vision and dedication was pivotal in several including Cooperative Grocers Associations, the National Cooperative Grocers Association, CGIN, North-country Development Services, and CMI.

To say that Bill has had an impact on food co-ops is a gross understatement. His has been a career of strengthening people, organizations, and systems to ensure that food co-ops have the resources they need to grow and increasingly meet members' needs. He has helped develop a systematic approach to expansion planning, working on approximately 300 successful food co-op expansions, and has, in his words, "only lost one". That is an impressive track record.

Bill said that the cooperative idea took hold early on, and when he became seriously involved, "I never thought of doing something other than working with co-ops." Bill explained his commitment to co-ops springs from a vision for a human-scale approach to business, one that recognizes a balance of vision and values to best-practices. "I've been drawn to the distinction and synthesis of business development and organizational development as an approach to cooperative development. Recognizing and working with the duality and the blending of those two aspects—the business and the cooperative—and bringing them together in ways that strengthen each part is compelling to me." Like an alchemist, Bill can take two

seemingly unrelated concepts and combine them to make something remarkable. No matter what he's engaged in, it's about being with people, and creating something together.

By all accounts Bill is a humble and unassuming co-operator. He doesn't always take credit for what he has done, but he is a true cooperative pioneer who has transformed the food co-op sector. His strategic vision and dedication to cooperation has built an integrated, national community of consumer-owned retail groceries that has changed the way America thinks about food.

Congratulations Bill! You are indeed a Co-op Hero!

Bill will be inducted into the Co-operative Hall of Fame on May 2, 2012 in Washington, DC.

## MISSISSIPPI CENTER FOR COOPERATIVE DEVELOPMENT

For information, contact Myra Bryant at 601-354-2750 or [fsmcmis@mindspring.com](mailto:fsmcmis@mindspring.com)

*The Mississippi Center for Cooperative Development uses co-operative 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.*

### When Opportunity Nets Cooperation—Holmes County, Mississippi

One of the poorest counties in Mississippi is experiencing cooperative and other business development, in spite of having greater than 6% outmigration, 35% of its citizens in poverty, and 40%+ of its youth with less than a high school education. These facts underscore why the county has a 13%+ unemployment rate, one-third higher than the state's average.

Despite these facts, the Mississippi Center has taken an aggressive approach to cooperative and business development in Holmes County.

More than two years ago, the Mississippi Center began the business planning process for Francis Flowers & Herbs Farm, a biodynamic farm located near Pickens, Mississippi. As with all projects, this one began with strategic planning and progressed to a full-scale business planning process for the owners natural hair and body care products, sold under the Cine' brand. This very deliberate and detailed analysis culminated in the submission of a formal business plan submitted in support of a loan application to both a local Farm Credit Association and the Alcorn State University Small Farm Development Center.

Over the last year, Mark & Earcine Evans have opened their farm to other small producers from throughout Mississippi, sharing with them their knowledge about biodynamic farming, the herbs and vegetables that they grow, and the natural hair and body care products that they produce, primarily from farm-grown products. This enterprise will be the first ever health and beauty cosmetics firm in Mississippi and the Southeastern U.S.

In October, more than a dozen small minority farmers





*The first planning meeting for Holmes County producers last October.*

have begun to explore the establishment of a producer-owned cooperative. Each of these growers have been assisted by Antonia Montgomery, an agribusiness specialist who works for the Mississippi Association of Cooperatives, the sponsor of the Center.

These producers grow vegetables and many have poultry and livestock operations. Planning with this group began with Co-op 101 and follow-up meetings. They have already adopted the name, Holmes County Cooperative, but have not advanced to incorporation. One agreed upon activity for this group is to establish a farmers market where they can sell farm-grown produce and possibly meat products. It will be located adjacent to a feed store, owned by one of the farmers.

Earcine and Mark Evans have embraced this group of farmers, serving in many ways like a mentor. They have attended the meetings and shared their experiences with the Center. They have made cooperative development real to farmers who have never been a cooperative member. They have emphasized the importance of participating in a SWOT analysis and having a clear understanding of what kind of business they want to begin. The Evans also shared just how important commitment and leadership is to developing and operating a successful business.

These small producers have welcomed the assistance from the Center and input from the Evans—eager to move toward implementation of their cooperative. Mark Evans has volunteered to help these growers avoid some of the common pitfalls and stumbling blocks usually encountered by small producers. The Evans plan to be members of this cooperative and hope to sell some of their products at this new farmers market.

In addition, another Center project, the Mid-South Progressive Agriculture Group, headquartered near Holly Springs, Mississippi, will be able to help the Holmes County group, particularly when it comes to selling eggs at farmers market. MSPAG members have completed the process to get the required Department of Agriculture permit and inspection to sell eggs. This, too, will help the Holmes County producers move forward.

Holmes county does have a nucleus of leaders who are committed to establishing a new farmers market. The next step for this group is further coop education to be provided by the Center before it seeks to incorporate.

The involvement of the Evans with this new enterprise is an example of cooperation at its very best. "A key principle of the Center is that all groups with whom we work will share their experience and expertise with new

projects," Myra Bryant of the Mississippi Cooperative Development Center explains. "We like to tell everyone with whom we work that we will help those who want to develop a new business." Other Center projects that have developed into new cooperatives continue to be actively involved in spreading the word about the significant benefits that come from small farmers working together to enter markets previously closed to them.

## NEBRASKA COOPERATIVE DEVELOPMENT CENTER

For information, contact Jim Crandall at 308-995-3889 or [crandall3@unl.edu](mailto:crandall3@unl.edu)

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

### Food Based Cooperatives Spring Up Across Nebraska

Nebraska Cooperative Development Center has seen an increased interest in the cooperative business model used for the formation of food cooperatives (both consumer and producer driven). These include a Farmers' Market Association, local food producer groups, and coop grocery stores.

The Farmers' Market Association was proposed in 2011 as a way of creating a network connecting Nebraska markets and managers. The number of farmers' markets has more than double in Nebraska in the last ten years, with more than 90 in the state currently. NCDC hosted an exploratory meeting in central Nebraska, inviting all farmers' market managers from across the state. The meeting explored the potential of a statewide association and what kinds of programs and services such an association could provide its members. A steering committee was formed and has continued to meet regularly to plan an organizational structure that could be a model for a future association. It is anticipated that the committee will complete their work and formally organize in the fall of 2012.

The Nebraska local food producer groups NCDC is currently working with cover both Western and Central Nebraska. These are aimed at creating a network of producers and consumers of fresh, local food and products.

NCDC met with Western Nebraska greenhouse growers in winter of 2010 who showed an interest in working together, which led to a plan to bring together a larger group of growers in Western Nebraska. This larger group



*Locally grown honey and jams are examples of Nebraska grown foods that may benefit from a statewide Farmers' Market Association. This photo is from Old Cheney Road Farmers' Market, one of the participants in the statewide FMA discussion.*

first met in February 2011 as an informal discussion about the possibility of creating a Western Nebraska Producer Group. Shortly after that meeting, a steering committee was formed, which has been meeting throughout the year. They are currently focusing on surveying producers to discover grower capacities as well as, looking at the possibilities of moving toward a producer-owned growers' cooperative that would aggregate growers' products and market them to retail outlets under the coop's name.

The Nebraska coop grocery stores include Elwood Grocery Store and Mitchell Food Coop. These are aimed at filling a need in their communities and surrounding areas.

The Elwood, Nebraska grocery store closed on January 15, 2012. From February to March Elwood community leaders organized a community meeting to gauge interest in a cooperatively owned grocery store; organized, distributed, and completed an interest survey; and formed a very committed and hard-working steering committee. This steering committee formed sub-committees to split up work between facilities, business & finance, and incorporation options. They also sought advice from a local attorney, local insurance agents, former owners, neighboring stores, coop managers in nearby towns who had experience in a traditional grain coop (and owned a grocery store), cooperative accountants, area economic developers, and grocery suppliers. Even though the Elwood grocery store process has progressed amazingly quickly, they have done it well. NCDC provided the outline for the process, a spreadsheet for the financials, referrals for attorneys, guidance for each committee, and have been working hand in hand with the committee along the way.

The grocery store in Mitchell, Nebraska was closed for some time then reopened as a regular store, but not as a food cooperative, so the steering committee continued to discuss the idea of a local food coop. NCDC was contacted and asked to share some ideas about the concept a community owned local grocery store at an area gathering in February 2011. NCDC was involved in the beginning steps and may be involved with upcoming membership development activities and development of future plans. The Mitchell Grocery Coop store project also has some potential connection to the Western Nebraska Producer group. If the Mitchell Grocery Coop opens, the Western Nebraska Producer group may supply locally grown foods to the store, by becoming a potential supplier of the Grocery Coop.

## **NORTH DAKOTA RURAL ELECTRIC & TELECOMMUNICATIONS DEVELOPMENT CENTER**

For information, contact Lori Capouch at 701-663-6501 or [lcapouch@ndarec.com](mailto:lcapouch@ndarec.com)

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

## **The Rural Electric Aids Local Fire Department**

The Rural Electric and Telecommunications Development Center, as a part of its mission, provides technical assistance to mutually-owned rural businesses, especially in areas where the tax base is not great enough to support a local development professional. Many times this involves working with the local fire districts, ambulance crews or daycare centers. One of our more recent projects involved the city of Buffalo which has a population of 209.

Jim Jager spends more hours volunteering as a fireman and emergency medical technician for the Buffalo Rural Fire District than he does at his full-time job hauling U.S. mail.

Jager is one of 27 volunteers with the fire district, which serves about 600 people. Most operating funds for the fire department come from taxes paid by local citizens. In addition, the firemen gather donations each February, when people drive from miles around to taste the fire crew's homemade sausage at a pancake feed. But neither taxes nor pancakes generate the dollars necessary to build a much-needed new fire hall.

"Without more space, we can't upgrade any of our four fire trucks or our quick response vehicle," Jager says. "We need a place for larger equipment, and room to conduct our own training."

Jager began volunteering with the fire department 26 years ago when he was in high school. Today, he's a member of the department's building committee and acts as liaison with the architectural firm.

"We've been trying to raise funds for the new hall for years, but we ran into brick walls wherever we went," he says. "We requested federal stimulus dollars, but that money went to places like Los Angeles. With the growth in North Dakota's oil economy, builders are busy, and every year adds zeros to construction costs."

The Rural Electric and Telecommunications Development Center played a role in developing the financial package for the new fire hall. The Center administers a revolving loan fund for the Rural Development Finance Corporation (RDFC). RDFC is owned by the rural electric and telecommunications cooperatives in the state. The loan fund has grown to over \$1 million and is used to provide low interest financing to emerging and expanding rural business in communities with a population of less than 10,000. The Center also served as a liaison to other state incentive programs to complete the financial package. In total, the identified financing programs will save the Buffalo Fire District up to \$166,000 in interest over the life of the loans

The fire hall is currently under construction.



*The Buffalo Fire Hall*

# Facilitation: Honoring the Voice of the Few in Group Decision-making

By Peggy Fogarty-Harnish and Cathy A. Smith  
Keystone Development Center

**W**hat happens when the majority agrees but a few strongly disagree? There are several questions that come to mind in examining this situation:

1. How can the group listen to the concerns or perspective raised by a minority viewpoint?
2. What is a productive way to understand the wisdom, fears, or potential losses this “other” view brings forth?
3. Might you work to get the few to consent to the group’s position or can the majority view be changed by the minority?
4. Might the group be able to help those with the minority view dispel their myths or fears?
5. Is there a moderate decision that might serve multiple viewpoints?
6. How can we, as facilitators, empower the minority voices to demonstrate effective leadership and share their concerns through a positive process?

One has only to think about Henry Fonda in the 1954 teleplay “12 Angry Men” where he transforms the opinion of the majority by persuading his peer jurors to examine their biases and re-evaluate information before making what appeared to be the obvious and perhaps wrong decision.

## What Is the Facilitator’s Role in This Situation?

The facilitator’s job is to create an environment and a process whereby all perspectives can be aired and examined as part of the decision-making and team-building process. Might the group be lost in forward momentum and not fully evaluating the consequences? We, as facilitators, must exhibit patience and leadership as we encourage the group to embrace a new perspective or insight. We also need to consider the diverse needs of each participant and their unique communication style. This involves being aware of cultural values, beliefs, history, relationships and leadership structure—your own, as well as everyone’s in the group. Try to ascertain if the person or people opposing the group’s decision have a history of being oppositional no matter what the issue and are forever standing in the way of action. The goal is to have the perspective based on the best interest of the group, not self-interest.

An experienced facilitator is patient and allows the process to unfold at its own pace. Sometimes the best thing to do is to wait, allowing participants time to process and issues to surface. Remember the upside-down strategy: stop and do not do anything—just stand there. And be quiet, don’t say anything. Let the participants fill the silence. Trust the members of your group. Groups can be self-correcting. Sometimes, the best thing is to allow other members of the group to talk with and listen to the minority voice in a space outside the full group convening.

A good facilitator should practice reflective listening. Listen carefully to what all participants have to say, then paraphrase and give it back. Also helpful is to place controversial information on a handout, chart, or project onto a screen. This takes the focus away from you or the speaker as the source of the information.

Sometimes useful is to establish equal participation by all members as a group goal at the start of the meeting. Encourage the participants to help monitor and manage personal participation. If you have some voices that are long-winded with a tendency to grab the air time, consider imposing time limits on participants. One option is to give the participants an equal number of time chits (one idea is to use poker chips), each worth one to ½ minute of talking time. The participants can then decide what they want to spend their time verbalizing. It also helps the facilitator see who has not talked.

If the facilitator sees that some are not talking or sharing, ask a direct question to the silent participant, ask questions related to the silent participant’s areas of expertise and interest. Or ask the silent participant to react to someone else’s statement. If the group is large, consider breaking into small groups for preliminary sharing of ideas. Then ask each pair or trio to give a summary report of their discussion.

## What Should the Facilitator Do About the Minority Viewpoint?

Importantly, as servant of the group, the facilitator should look at process changes or interventions that can meet this person’s concerns, preserve their contribution, and allow the group to move forward. Here again, get tacit or explicit agreement from the group that this person’s contributions are worth taking the time or making the changes. Remember that the facilitator is not necessarily there to serve the immediate needs

of the group but the longer-term best interest of the group.

With a participant who has said something contrary to the groupthink, compliment the participant for his or her sensitivity and ask for a clarification. This will allow her or him to further express the reasons behind their opinion. Then ask the other participants if they understood the comment. Do this without appearing to ridicule the person who made the contrary observation.

Very useful in this situation (and a general practice) is to keep track of the group memory. Group memory is posted on the walls or otherwise collected where everyone can see it. Here is where you keep all comments, ideas, discussion, agreements, thoughts, votes, and decisions, so each person can see what has been discussed and understand where the group is at the present moment. The group memory is used to keep the focus and to work in a logical sequence. With the statements and notes on the wall, someone can more easily question positions shown in the group memory without abusing the person who originally proposed it.

If the meeting is multi-session, at the end of a session ask the participants to write their concerns, comments, suggestions, or whatever on index cards. Then ask one or two volunteers to organize the cards into themes. At the beginning of the next session share the themes with the group and allow time for discussion.

## What is the Best Way to Make a Decision?

Whatever the method of decision-making, all participant perspectives should be considered. The group should allow for the gathering of all available information. This way the group can make the decision that is in their best interest allowing all participants to feel heard and valued. This prevents underlying and unresolved issues from eating away at relationships or lingering questioning of the decision the group comes to.

First, does the group have an agreed upon decision making process? The most often used decision-making models are as follows:

- Autocratic: ruler has absolute power
- Democratic: majority rule (51% or more)
- Supermajority: a specified majority vote (example 67%)
- Consensus: consent or concede to the will of the people

**FACILITATION** cont. on pg. 16



# Calendar

## 2012 Upcoming Events

**MAY 4-5**

### **Oakland, CA California Co-op Conference**

A multi-sector conference for cooperative decision-makers, directors, members and co-op developers

**MAY 4**

### **Oakland, CA International Year of Co-ops Celebration**

Celebration will be held in the evening, following the first full day of the CA Co-op Conference

**JUNE 13**

### **Philadelphia, PA Exploring Cooperatives: Economic Democracy and Community Development in Pennsylvania and Wisconsin**

Drexel University's Center for Public Policy is hosting a one-day conference on cooperatives. Keynote speakers include Gar Alperovitz, Lionel R. Bauman Professor of Political Economy at the University of Maryland, and Congressman Chaka Fattah (D-PA). For more information, contact Bob Noble at bobnoble@kdc.coop

**JUNE 14-16**

### **Philadelphia, PA Consumer Cooperative Management Association (CCMA) Annual Conference**

**JUNE 22-24**

### **Boston, MA National Worker Cooperative Conference**

The US Federation of Worker Cooperatives hosts its national conference this year at Northeastern University. Keynote speaker will be Senator Chaka Fattah, the sponsor of the National Cooperative Development Act. For more information about attending, presenting or sponsoring, contact melissa@usworker.coop.

**JUNE 25-27**

### **Montreal, Quebec ACE Institute**

This year the Institute partners with CASC and the ICA research committee to bring you the latest innovations in co-op research, education and development across North America. Contact Sarah Pike at pike@ace.coop for more information.

**SEPTEMBER**

### **San Diego, CA Nuts & Bolts of Cooperative Housing**

Conference discusses how to start and operate a housing cooperative. Precise day in September to be determined.

## **FACILITATION**, cont. from page 15

- Unanimity: solidarity with lack of objection (obviously not happening in this case)

Generally speaking, when a group votes using majority rule or parliamentary procedure, a competitive dynamic is created within the group because it is being asked to choose between two (or more) possibilities. Traditional majority democracy will take a vote and then move forward with a decision. But the idea that the minority will just go along happily with the majority decision is actually a myth.

If you truly want to have all voices and opinions honored, consider the Deep Democracy (DD) model of reaching decisions which goes beyond more conventional group-decision-making processes such the majority rule. It is "democratic" because it emphasizes that every voice matters and that decision are wisest when majority and minority voices are both valued. The most typical starting point of discussing DD is to picture an iceberg. Generally, only 10% of the iceberg is above the waterline, while 90% is concealed below water and not visible. In a group coming together for some purpose, there are aspects that are conscious to the whole group and aspects that are in the group's unconscious.

The group's "unconscious" will often be reflected in the one-on-one and small group conversations that

happen outside the formal meetings and in unexpressed emotions and opinions. Before a decision is made, efforts should be made to lower the waterline and surface as many of the underlying issues. This should be recorded in the group memory for use in the later stage of decision-making. DD is an attitude that focuses on the awareness of voices that are both central and marginal. It suggests that the information carried within these voices is needed to understand the complete picture. To surface all the views the facilitator should remember to 1) ask if there other perspectives; 2) make it safe to have an alternative view; and 3) spread the alternative view by asking who else feels or thinks a little bit like this?

When the majority has decided to go in a certain direction, the minority is asked "what do you need to go along with the majority?" This is not a second chance for the minority to say "no." The minority will add wisdom and elaborate on the decision by qualifying it with what they need.

DD decision-making is about bringing the group around to a consensus view, where everyone feels heard and has reached a point where they are ready to allow the decision to go forward. Within the process is where the Henry Fonda character referred to above has the opportunity to bring around the group to a minority viewpoint.

Consensus building, like other

valuable parts of negotiation and conflict resolution, is often messy and time consuming, but the result can be a vibrant, inclusive process of reaching decisions to which people feel deeply committed. Decision-making is as much about conflict as it is about agreement, consensus building works best in an atmosphere in which conflict is encouraged, supported, and resolved cooperatively with respect, nonviolence, and creativity.

Conflict is not something to be avoided, dismissed, diminished, or denied. The consensus process creates a cooperative dynamic. Only one proposal is considered at a time. Everyone works together to make it the best possible decision for the group. Any concerns are raised and resolved, sometimes one by one, until all voices are heard. Since proposals are no longer the property of the presenter, a solution can be created more cooperatively.

### **COOPERATIONWORKS PROFESSIONAL CO-OP DEVELOPERS TRAINING SESSION III: CO-OP FINANCE**

May 14-18, 2012  
3 Hours a Day, Online  
Contact Audrey Malan at  
cw@vcn.com  
for more information

## **RCDG FUNDS** cont. from page 1

to program income will continue to drop, and the program will become self-sustaining as well as income-generating for general operations.

"Our initial success has allowed us to expand into Vermont in 2011 and now Maine in 2012, supported by a \$60,000 two-year award from a local philanthropist," says Giszpenc. The growth of the program has also led to job creations. "Our program staff has grown from half a FTE to 1 to 2 and soon will be 3 FTEs, with the addition of two new part-time organizers in the Spring of 2012."

Moving west across the United States, RCDG fund recipient and ROC USA CTAP, Northcountry Cooperative Foundation is working

to convert rural manufactured home communities into resident-owned communities. To date, NCF has assisted five communities in Minnesota convert into cooperatives. One example is Madelia Mobile Village Cooperative, located in Madelia, Minnesota, population 2,300, in south-central Minnesota.

The Cooperative was organized by residents of Madelia Mobile Village as a strategy for the homeowners to take control of the community, provide for its improvement, stabilize lot rents, and so create a platform for income- and asset-building for themselves in a resident-owned manufactured home community.

The community was purchased by its residents in December of 2008 for \$460,000. The state housing finance

agency and a community oriented lender provided the financing for the purchase. At the time of purchase, an estimated 75% of the households at Madelia Mobile Village had incomes at or below 50% of Watonwan County's area-median income and the other 25% had incomes at or below 80% of the County's AMI. The community is made up predominantly of emerging market households, generally recently-arrived Latino immigrants.

Cooperative development centers, RCDG funding and ROC USA are all essential pieces in the co-operative development puzzle. By combining the skill and financial resources they each offer, and continuing to identify new partners and leverage additional funding, a stronger, thriving rural America will emerge.