

POWER IN PURPOSE

COOPERATIVE POLICY
ROUNDTABLE

Brought to you by:

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PDF
Cooperative Development Foundation

Erbin Crowell

Executive Director
Neighboring Food Co-op Association

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Why are we here?...

To identify public policy initiatives that encourage and support the development of cooperatives as a **powerful** tool to strengthen the health, equity and sustainability of communities.

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Roundtable Hosts



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Maine Credit Union League



Cooperative 
Credit Union Association

Creating Cooperative Power



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Sponsors



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Region's Cooperative Economy: Status & Potential

Erbin Crowell

Executive Director

Neighboring Food Co-op
Association

Noemi Giszpenc

Executive Director

Cooperative Development Institute

Roger Noonan

President

New England Farmers Union

Adam Trott

Executive Director

Valley Alliance of Worker Co-ops

Joe Bergeron

President/ CEO

Association of Vermont
Credit Unions

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Neighboring Food Co-op Association

Regional Co-op of Co-ops

29 Co-operatives, 37 Stores

- ✓ *Smaller rural co-ops; larger and multistore urban grocery stores*

150,000 Members

- ✓ *12,000 New Members in 2019*

2,300 Employees

- ✓ *60%+ are full-time*

\$347 Million in Revenue

- ✓ *Median Revenue: \$4.4 Million*

10 Startup Members

- ✓ *5 co-ops opened in last 10 years*



Our Member Co-ops (Blue) and Startups (Green)

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Community Impact



Urban Greens Co-op Market, Providence, RI — Opened 2019

Engines of Local Economies

- ✓ \$93 Million in Sales of Local Products (Avg 30% of Revenue)

Employee Ownership

- ✓ 1,280 (65%) of Staff also Members

Economic Inclusion

- ✓ Average Member Share is \$150
- ✓ 65% of Directors and 34% of General Managers are Women
- ✓ Strategies for on diversity, equity & inclusion

Food Security

- ✓ Community Control of Food Access
- ✓ Empowerment and support for people on Food Assistance

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Policy Priorities

Promote & Protect Co-op Identity

- ✓ *Ensure that state statutes reflect co-operative identity and protect “co-op” name.*
- ✓ <http://www.nfca.coop/resolutions>

Address Obstacles to Growth in Statutes

- ✓ *All Northeast states have co-op statutes, but...*
- ✓ *Many are outdated and do not reflect all sectors.*
- ✓ *Statutes protecting “co-op” name and brand not consistently enforced.*

Ensure that Government Policies Support Co-ops

- ✓ *Advocate for access to grants, lending, technical support & other programs*
- ✓ *Ensure that programs directly support co-ops and their members, particularly in marginalized communities.*

Collaboration with other Sectors & Partners

- ✓ *Working together to increase impact, harmonize priorities.*

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Protect Co-operative Identity



Vermont State Capital Building

Example: Vermont

- “Uniform Limited Cooperative Association” Act (2011).
 - Undermine definition of co-op as “user-owned business controlled by and operating for the benefit of their members, rather than outside investors.”
 - Reduce ability of co-ops and credit unions to compete.
 - NFCA and allied groups developed basic talking points, lobbied state legislators.
 - Recruited support of National Farmers Union, Valley Alliance of Worker Co-ops.
- ✓ **Result:** *Statute Name Changed to “Mutual Benefit Enterprise.”*

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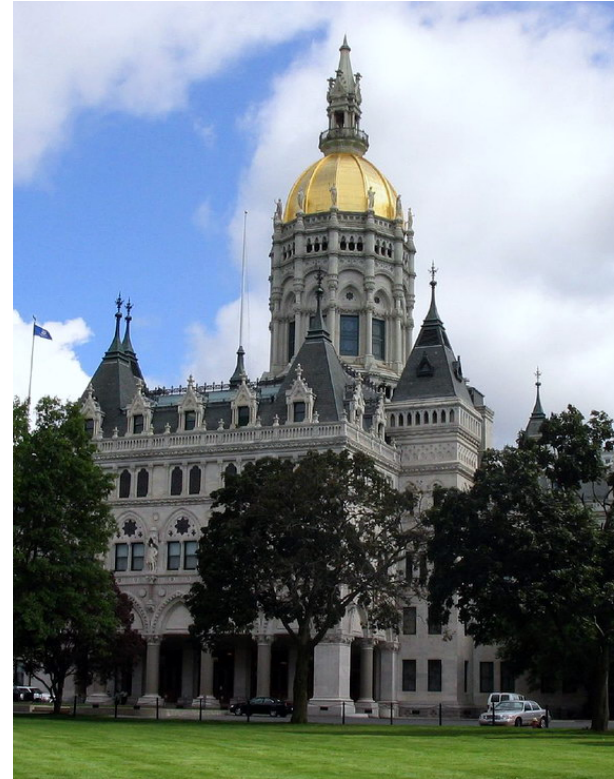
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Updating Statutes

Example: Connecticut Statutes (2016)

- Grant with Farmers Union to research obstacles to co-op development.
- Statute Not Amended for 40+ Years:
 - ✓ Individual members liable for debt.
 - ✓ Cap on member share price.
 - ✓ Limitations on allocation of patronage.
- Organizing by member co-ops gets draft bill introduced.
- Testimony before committees, including support of NCBA CLUSA & CT Credit Union League.
- ✓ **Result:** *Updated statute signed in 2019.*



Connecticut State Capital Building

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Access to Government Programs

Access to SBA Lending & Technical Assistance

- ✓ *Collaboration with NCBA CLUSA, NCB, USFWC on "Mainstreet Employee Ownership Act" Language.*

Candidate Platforms

- ✓ *Ensuring that co-ops are included in policy initiatives and dialogs.*

Co-op Development Resources

- ✓ *Ensure that co-ops can access government support...*
- ✓ *...and these resources directly benefit co-ops and their members, particularly economically marginalized communities and communities of color.*

COVID-19 Response

- ✓ *Ensuring that food co-ops and other co-operatives are eligible for support.*

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Noemi Giszpenc

Executive Director

Cooperative Development Institute

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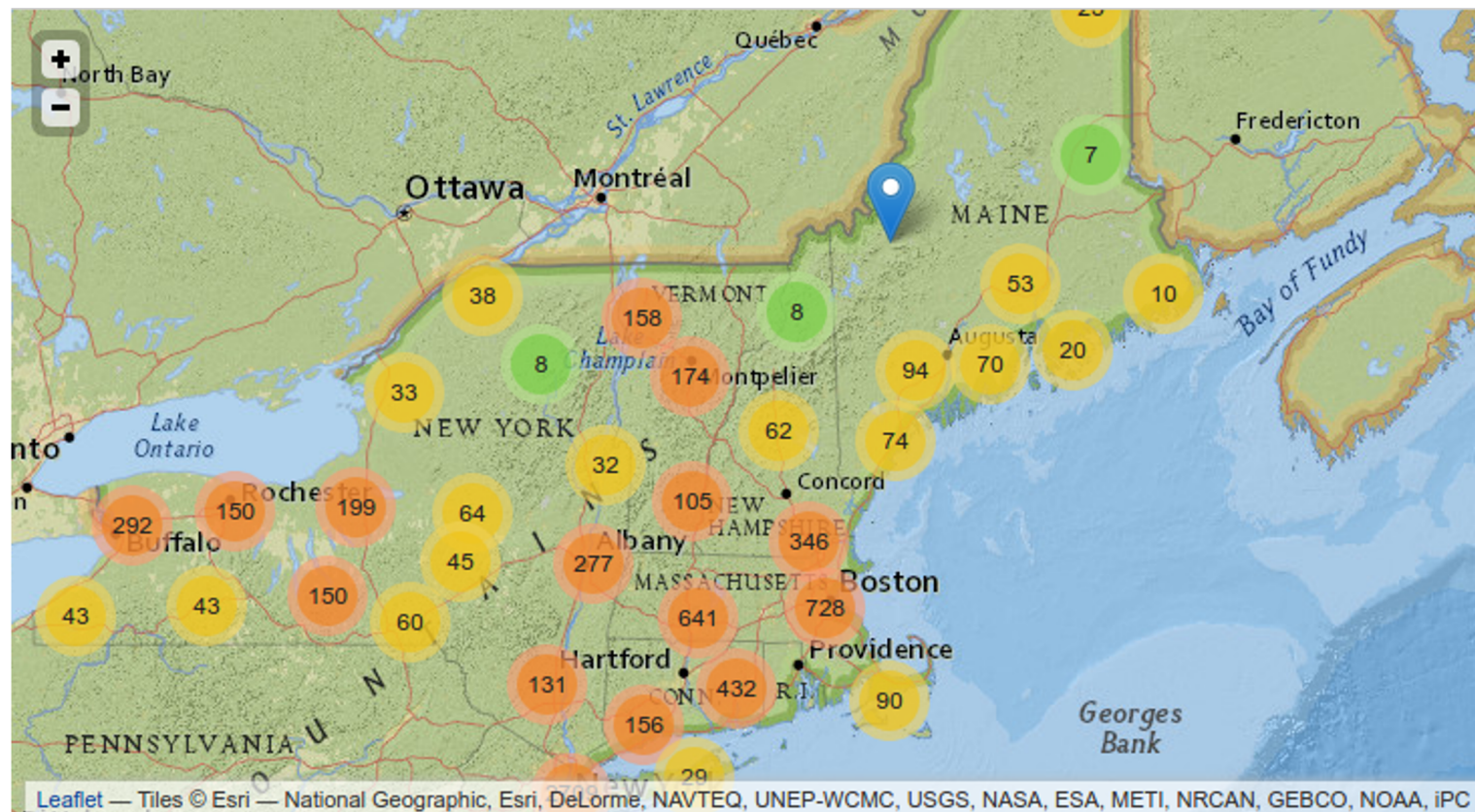


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The Co-operative Landscape



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Cooperative Housing Model To Address New England Affordable Housing Crisis



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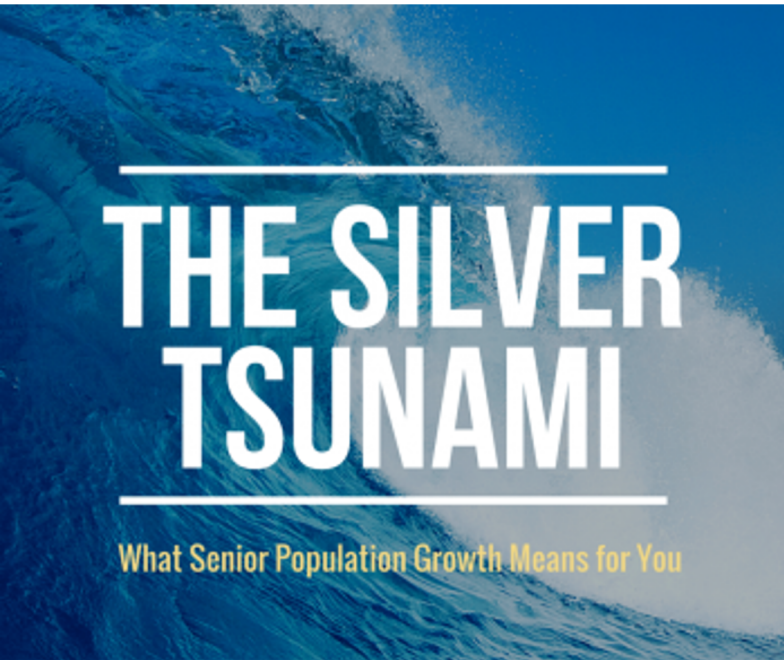


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New England Demographics

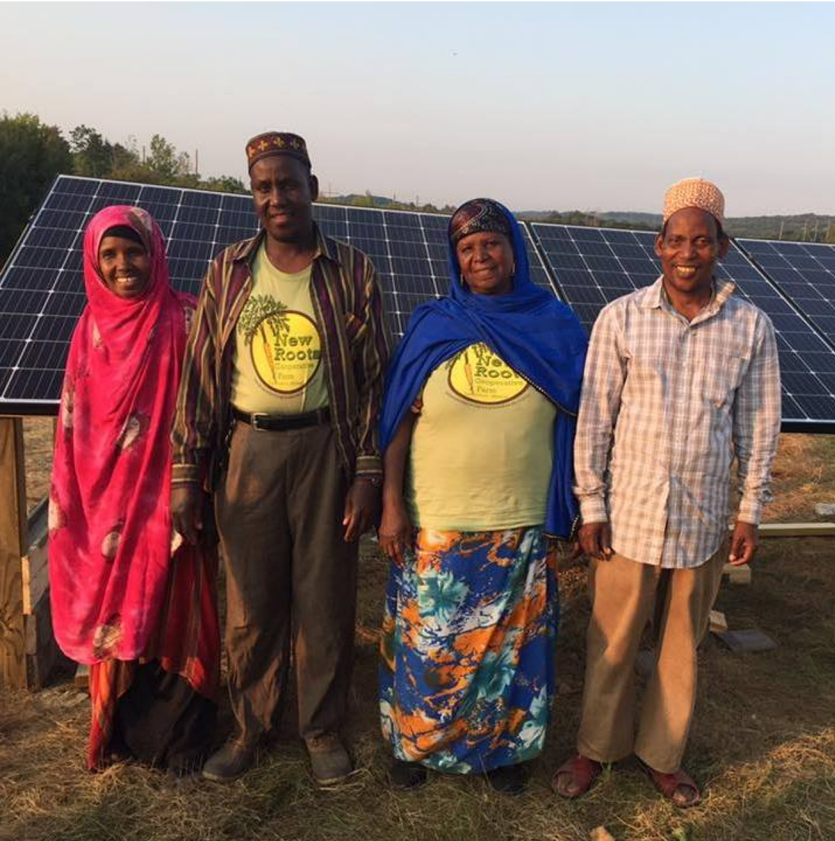


Cooperatives of Color

Sector Based Cooperative Value Chain

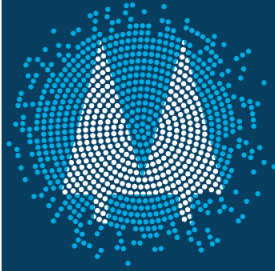


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Somali Bantu Farm to Table Food Truck

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Northeast Loggers Cooperative



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November 1, 2019

Loggers cooperative, formed after new law, partners with Quebec company



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Co-Op Ecosystem Development



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Cooperatives Build a Better Maine

Growing Prosperity and
Opportunity for
All Mainers



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Cooperative Maine Business Alliance





COOPERATION AMONG COOPERATIVES

7th Annual

Principle 6 Conference

presented by

COOPERATIVE MAINE BUSINESS ALLIANCE

**BUILD
YOUR
SKILLS**

**GROW
OUR
CO-OPS**

APRIL 4 • 9AM - 4PM

UNIVERSITY OF MAINE HUTCHINSON CENTER
80 BELMONT AVE, BELFAST, ME 04915

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1520

S.P. 469

In Senate, April 9, 2019

An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Businesses

Reference to the Committee on Innovation, Development, Economic Advancement and
Business suggested and ordered printed.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator LIBBY of Androscoggin.
Cosponsored by Representative DAUGHTRY of Brunswick and
Senators: DOW of Lincoln, HERBIG of Waldo, MOORE of Washington, POULIOT of
Kennebec, Representatives: BICKFORD of Auburn, HICKMAN of Winthrop, PERRY of
Calais, TUELL of East Machias.



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LD 1520

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Union-Co-op Hybrid



Fresh Maine Lobster Delivered.

There's nothing better than fresh, live lobster directly sourced from the lobstermen of Maine. That's what you'll get from Lobster 207: fresh and sustainably caught lobster, right from the source.

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Roger Noonan

President
New England Farmers Union

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Farmers Union History

- Founded as “Farmers' Educational & Cooperative Union of America” (1902)
- Key role in Capper Volstead Act (1922), Co-operative Marketing Act (1926)
- Founded many agricultural co-ops & credit unions
 - Farmers Union Central Exchange (CHS) (1931)



Farmers Union Cotton Gin, Oklahoma.

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New England Co-op Policy

- Oppose state law changes that would weaken the definition of co-operatives.
- Revitalize USDA co-operative services.
- Promote co-operative education at regional colleges and universities.
- Defend the Capper-Volstead Act of 1922.
- Cross sector collaboration.



www.NewEnglandFarmersUnion.org

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National Policy Priorities

Protect basic legislation enabling co-operatives:

- Clayton Act of 1914
- Capper-Volstead Act of 1922 (allowing agricultural producer associations)
- Cooperative Marketing Agreement Act of 1926
- Agricultural Marketing Act of 1929
- Agricultural Marketing Act of 1937
-
- Federal tax rules related to co-ops

Source: <https://nfu.org/2018policy/>

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Support....

"...Government policies and programs that develop, protect, advance, and promote farmer cooperatives' role in assembling, processing, selling, marketing, and distributing farm commodities and services."

Source: <https://nfu.org/2018policy/>

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Oppose...

- "... attempt[s] to revise cooperative laws, administratively or legislatively, that would **diminish or jeopardize the democratic nature of cooperatives**, their unique governance structure as **member- owned and -controlled enterprises**, and ability to maintain financial and ethical integrity."
- "...new state laws that allow supposed 'cooperatives' to structure ventures with non-members in ways that give the outside investor voting control of the combined entity, including the **Uniform Limited Cooperative Association Act** statutes that undermine the democratic nature of the cooperative enterprises and the interests of producer, worker, and consumer members."

Source: <https://nfu.org/2018policy/>

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National Convention 2020

"The National Farmers Union "shall make efforts to assist in the development of cooperatives to benefit its members and the rural economy.

Efforts shall be made both legislatively and through active support of state organizations and other groups seeking knowledge of cooperative principles and law."

-Special Order of Business on Co-operatives

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Power in Purpose: Cooperative Policy Roundtable



Adam Trott
Executive Director
Valley Alliance of Worker Co-operatives
www.valleyworker.coop • adam@valleyworker.coop

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Valley Alliance of Worker Co-operatives

Highlighted activities



This October, over 40,000 co-ops across the United States are celebrating Co-op Month. ~~Co-ops are the backbone of the community.~~ ~~Co-ops are the backbone of the community.~~ and together we build stronger local communities and a more inclusive economy.

Visit your local co-ops and credit unions to find out more about how we're working together to help people build stronger local communities and a more inclusive economy for generations to come. Want to know more? Visit www.valleyalliance.org.



- Owned and controlled by member co-ops
- Co-founded Co-op Enterprise Collaborative & UMass, Amherst Certificate in Co-op Enterprise
- Shared marketing and advertising
- Supported 7 conversions to worker co-ops
- Co-founded Valley Co-operative Business Association with food co-ops, credit unions, artist co-ops
- Co-founded VAWC Interco-operative Development Fund using members' annual allocation of 5% of surplus



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Valley Alliance of Worker Co-operatives

Previous Legislative Engagement

Advocating for our Issue Positions

- *Created issue positions and recommendations on: Co-op Development Funding; Building Indivisible Reserves; Protecting 157 A; First Right of Refusal*

Mayoral/City Council Proclamation International Year of Co-operatives

- *in partnership with Valley Co-op Business Association*

Massachusetts Governor Proclamation – National Co-op Month

- *in partnership with Valley Co-op Business Association*

Campaign to allocate funds for employee ownership to co-operatives in Massachusetts

- *Contacted and met with state senators and representatives to include co-op associations in the distribution of funds to employee ownership*

Campaign to protect co-operative statutes in Massachusetts

- *Contacted and met with state senators and representatives to protect Employee Cooperatives M.G.L. 157A*

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Valley Alliance of Worker Co-operatives

Legislative Goals



- **Educate and Empower** legislators to understand and enhance the impact of worker co-operatives across municipal, regional and state levels,
- **Protect and Improve** existing co-operative statutes in Massachusetts and Vermont,
- **Utilize** current opportunities to collaborate in economic development with existing education, economic development, and research resources, and,
- **Advocate** for additional collaboration to support shared strategy, address gaps in our economy and communities.

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Valley Alliance of Worker Co-operatives

Seizing the Co-operative Moment



VAWC is acting on this critical moment by launching two statewide campaigns with policy platforms:

#CoopsFor2020MA and #CoopsFor2020VT

to address these challenges, policy solutions should include cooperative businesses through:

- increasing access to capital for businesses to startup, expand or innovate,
- technical assistance, especially when carried out by associations of co-operatives,
- interagency coordination at the federal and state levels, and
- increased investment in research and development.

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Joe Bergeron

President/ CEO

Association of Vermont Credit Unions

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Doug O'Brien

President & CEO
NCBA CLUSA



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Characteristics of an Inclusive Economy



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Identify policies to build cooperatives that contribute to healthy communities:

- What policies are needed to assure that cooperative survive and thrive?
- What are the current barriers to these policy changes?
- Of the policy changes discussed, which is the most important?

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Policy Levers

- Direct Financing
- Technical Assistance
- Regulation
- Enabling Legislation
- Tax
- Licensing
- Preferences
- Procurement
- Policies that impact communities or customers directly

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Findings

from earlier roundtables

- Cooperative Education and Awareness
- Technical Assistance and Training
- Access to Capital
- Barriers

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Strategies and tactics to move cooperatives forward:

- How do policymakers/thought leaders perceive cooperatives?
- Who are allies of cooperatives? What aspects of the cooperative model resonate most strongly?
- What impedes success?

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Give your input:

Go to the link below and fill out the survey:

<https://www.surveymonkey.com/r/7NZMZJG>

DEADLINE: March 27, 2020

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Q & A

Moderator:
Doug O'Brien
President & CEO, NCBA CLUSA

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Wrap-up

Moderator:
Doug O'Brien
President & CEO, NCBA CLUSA

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