

Building an Inclusive Economy: The Co-operative Difference



Neighboring Food Co-op Association

Seventh Annual General Meeting

17th March 2018 // Greenfield Community College // Greenfield, MA

Thank You!

Our 7th Annual Meeting is made possible by the support of our Member Co-ops and these co-operatives and organizational partners.



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The premise of the 6th Principle is not that co-operatives cannot exist without each other. Co-operatives by their design are self-sustaining organisms. Co-operatives can operate and succeed alone, but will only thrive and grow the co-operative commonwealth when they work together.

International Co-operative Alliance, *Guidance Notes to the Co-operative Principles* (2015:80)

The Neighboring Food Co-op Association

SEVENTH ANNUAL MEETING

“Building an Inclusive Economy: The Co-operative Difference”

17th March 2018 // Greenfield Community College // Greenfield, MA

The Neighboring Food Co-op Association (NFCA) is a regional federation of food co-ops working together toward a shared vision of a thriving co-operative economy, rooted in a healthy, just and sustainable food system, and a vibrant community of co-operative enterprise.

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From Farm to Freezer!

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Available in the frozen section at your local Vermont Food Co-op!

Brattleboro Food Co-op, Brattleboro, VT
Burlington Mountain Food Co-op, Hardwick, VT
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Coastal Food Stores, White River Junction, VT
Hampden & Lebanon, NH
Hunger Mountain Co-op, Montpelier, VT
Middlebury Natural Foods Co-op, Middlebury, VT

Plainfield Food Co-op, Plainfield, VT
Rutland Food Co-op, Rutland, VT
Rutland Area Food Co-op, Rutland, VT
Springfield Food Co-op, Springfield, VT
Stone Valley Community Coop Market, Poultney, VT
Upper Valley Food Co-op, White River Junction, VT

For a map of our 35 member co-ops, locally owned by over 107,000 people like you, please visit: www.nfca.coop/members.

NEIGHBORING FOOD CO-OP ASSOCIATION
 PO Box 93, Shelburne Falls, MA 01370
info@nfca.coop // www.nfca.coop

GO COOP

Hunger Mountain Co-op — Celebrating 45 Years Supporting Organic Farmers!

Ad from NOFA VT 2017 Winter Conference Program

We all bring something to the table, and we lose something when we do not bring other people to the table. You have to be intentional about diversity, and once you have made the decision to look outside of your co-op and address the situation in your community, you cannot give up.

Shirley Sherrod, Co-op Hall of Fame Inductee, at CCMA 2016, UMass Amherst, Amherst, MA (Hosted by the NFCA)

1. DIRECTIONS

Our Annual Meeting will take place in the:

**Dining Commons
Greenfield Community College
Main Campus, 1 College Drive, Greenfield, MA**



Type this address into Google Maps or other mapping application:

Greenfield Community College, 1 College Drive, Greenfield, MA

Phone: (413) 775-1801

From 91 North/South:

- Take exit 26 for MA-2 W toward Massachusetts 2A E/Greenfield Ctr/N Adams
- At the traffic circle, take the exit onto MA-2 W 0.1 mi
- Turn right onto Colrain Road 0.6 mi
- At the traffic circle, take the 3rd exit onto College Drive 0.5 mi
- Turn left to stay on College Drive 118 ft
- Turn right to stay on College Drive 404 ft
- Follow signs to Parking Lot F. Park in Parking Lot F and walk toward the main entrance.
- Go in the main entrance. Follow signs to the Dining Commons up the stairs.

From MA-2E:

- As you approach I-91, you will see a Big Y plaza on the left
- Turn LEFT onto Colrain Road 0.6 mi
- At the traffic circle, take the 3rd exit onto College Drive 0.5 mi
- Turn left to stay on College Drive 118 ft
- Turn right to stay on College Drive 404 ft
- Follow signs to Parking Lot F. Park in Parking Lot F and walk toward the main entrance.
- Go in the main entrance. Follow signs to the Dining Commons up the stairs.

Lodging:

The Franklin County Chamber of Commerce website offers many lodging options in the Greenfield area:

<http://www.franklincc.org>



Because they exist to benefit their members, rather than to line the pockets of private shareholders, co-operatives are fundamentally more democratic. They empower people. They build community. They strengthen local economies.

Wayne Ellwood, "Can Co-operatives Crowd Out Capitalism?" in *New Internationalist* (July 2012)

2. Greetings from the International Co-operative Alliance (ICA)



Mr. Erbin Crowell
Executive Director
Neighboring Food Co-op Association
P.O. Box 93
01370 Shelburne Falls - MA
United States

5th March 2018.

Global Office:

Alliance Coopérative
Internationale – AISBL
Avenue Milcamps 105
1030 Brussels
Belgium
VAT: BE 535 539 869
T: +32.2.743.10.30
F: +32.2.743.10.39
ica@ica.coop
www.ica.coop

Regional Offices:

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Americas
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www.aciamerica.coop

Asia and Pacific
New Delhi – India
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Brussels – Belgium
www.coopseurope.coop

Sectoral Organisations:

Agriculture (ICAO)
www.ica.org

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www.icba.coop

Consumers (CCW)
www.ccw.coop

Fisheries (ICFO)
www.icfo.coop

Health (IHCO)
www.ihco.coop

Housing
www.icahousing.coop

Insurance (ICMIF)
www.icmif.coop

Industry and Services
(CICOPA)
www.cicopa.coop

Dear Mr. Crowell,

I extend my warmest and most sincere regards to you and all the participants of the 7th Annual Meeting of the NFCA.

I understand that the work undertaken this year takes as its theme “*Building an Inclusive Economy: The Co-operative Difference*”. This is an inspired theme, as the inclusive economy has intrinsic links with the co-operative movement, based as it is on important related indivisible and interdependent principles & values.

Over the last almost 200 years, co-operative enterprises have demonstrated that another form of economy is possible. They have shown how an economy based on solidarity, sharing, equity, stability, growth and sustainability can give opportunities to all citizens, including the most vulnerable and poorest ones.

Given its bottom up approach, the co-operative economy is more equitable. It serves humanity, and not vice-versa. The co-operative economy is a fully fledged economic model, a fascinating model which is able to act collectively to build a society that leaves no one behind. It is precisely because of this, that it is in a position to turn insurmountable critical situations into more positive scenarios.

I believe that, as with the co-operative movement, an inclusive economy starts with diverse people and ideas. As with the co-operative movement, an inclusive economy is one in which there are more opportunities and a more broadly-shared prosperity, especially for those facing the greatest deprivation.

Since its beginnings, the co-operative movement has been contributing to build a more just and honourable world. It has clearly enough history and insight to play a leading role for an inclusive economy.

I wish you all success at your 7th Annual meeting!

With warm regards,

Charles Gould
Director-General



3. AGENDA

The Neighboring Food Co-op Association (NFCA) is a regional federation of food co-ops working together toward a shared vision of a thriving co-operative economy, rooted in a healthy, just and sustainable food system, and a vibrant community of co-operative enterprise.

Objective for the Day: To update Member Co-ops on our activities and progress on our vision; engage in dialog on our commitment to diversity and inclusion; offer content that will contribute to the success of our co-ops; provide opportunities for relationship building; and inspire attendees as we continue to grow the co-operative economy in our region and beyond.

	Time	Min	Topic	Detail & Outcome	
1	9:30 – 9:45	15	Gather & Register	Attendees get acquainted and reacquainted.	
2	9:45 – 10:00	15	Settle In	We're all prepared to focus and get started on time.	
3	10:00 – 10:15	15	Welcome & Introductions	Welcome! Representatives from each co-op, organization and guests will be asked to stand.	
4	10:15 – 10:30	15	Board of Directors Report • Faye Conte, President	NFCA President Faye Conte will report on the past year from the perspective of the Board of Directors. Treasurer's Report. Approval of Minutes, Annual Meeting 2017.	
5	10:30 – 11:00	25	Staff Report • Erbin Crowell, Executive Director • Bonnie Hudspeth, Member Programs • Suzette Snow-Cobb, Sourcing • Roger Noonan, President, NEFU	Staff will share with Member Co-ops highlights and accomplishments from the past year, and our priorities for 2018. We will invite Roger Noonan, President of the New England Farmers Union, to offer a legislative update on food system advocacy and how our co-ops can be involved. There will opportunity for questions and feedback.	
6	11:00 – 11:40	40	Building an Inclusive Economy: The Co-operative Difference • Doug O'Brien, President & CEO NCBA CLUSA	Doug O'Brien will share his thoughts on the potential for the co-operative movement to be a leader in growing a more inclusive economy in a time of social and economic anxiety and help differentiate our businesses in a competitive marketplace.	
7	11:40 – 12:00	20	Questions, Feedback & Discussion	How does your co-op contribute to an inclusive economy? How can we work together to increase our success and impact?	
8	12:00 – 1:00	60	Lunch & Networking	Lunch provided by Greenfield Community College with dessert by Franklin Community Co-op and generous product donations of our partners.	
9	1:00 – 2:00	60	Peer to Peer Dialogs See next page for Peer Dialog Topics.	This time is set aside for peer-to-peer exchange on topics of interest that have been contributed by gathering participants. Each table will have a facilitator and note taker.	
10	2:00 – 3:45	105	Afternoon Workshops Our afternoon workshops are designed to support the shared success of our member co-ops and our vision of a thriving co-operative economy in our region. If your co-op has multiple attendees, please try to participate in as many sessions as possible.		
			A. . SHARING SUCCESSES: Leading the Inclusive Economy. (For Food Co-op Staff & Board Members) Location: Dining Commons Join Terry Bowling (National Co-op Grocers) for a panel featuring success stories from NFCA member co-ops, including membership growth, expansions, and other operational improvements and innovations. Learn about the national trends impacting food co-ops and common factors in co-ops who are not only weathering this storm but succeeding and innovating in this new competitive landscape. • Terry Bowling, National Co+op Grocers, • Ed King, General Manager, Littleton Food Co-op, • Glenn Lower, General Manager, Middlebury Natural Food Co-op • Rochelle Prunty, General Manager, River Valley Co-op • Zach Stevens, General Manager, Rutland Area Food Co-op	B. CREATING STRONG, RESILIENT & INCLUSIVE BOARDS: 2 Case Studies. (For Food Co-op Board Members) Location: C208 Multipurpose Room Hear lessons learned from Brattleboro Food Co-op (VT) and Willimantic Food Co-op (CT) Board members. This workshop will feature hands-on interaction, tales of how to overcome challenging Board dynamics, and tools you can bring back to your co-op to improve your Board culture, communications, and overall impact. • Beth Neher, Board President, Brattleboro Food Co-op • Emilie Kornheiser, Board Member, Brattleboro Food Co-op • Alice Rubin, General Manager, Willimantic Food Co-op • Kathleen Krider, Board President, Willimantic Food Co-op	C. SUCCESSFUL OUTREACH: A Tale of Surging Membership. (For Start-Up Staff and Steering Committee & Board Members) Location: N250 Humanities Studio As Director of Outreach & Communications for the Assabet Village Co-op Market start-up, Lorne Bell has grown membership by 350 member-owners in a year, helping the Co-op reach their 900-member milestone 9 months early. Learn from Lorne how to create a successful outreach/membership recruitment plan for your start-up, and what the Co-op's Board did to set him up for success. • Lorne Bell, Director of Outreach & Communications, Assabet Village Co-op Market
11	3:45 – 4:00	15	Board Elections Results & Appreciations • Joanne Todd, Election Committee Chair (Board, Willimantic Food Co-op, CT)	Joanne Todd, Election Committee Chair, will announce results of Board of Directors elections. We will share our appreciations for our outgoing Board Members for their service and announce the Neighboring Co-operator Award.	
12	4:00 – 4:15	15	Evaluation, Raffle Prizes! • Suzette Snow-Cobb, Sourcing	Your feedback is important to our planning of future gatherings — and completed evaluations will be entered for a raffle prize!	
13	4:15 – 4:30	15	Adjourn — Save the date for our 8th ANNUAL MEETING, SATURDAY 23rd MARCH 2019!	Visit a few food co-ops on the way home, or stop in at the Artisan Beverage Co-op Tasting room at 324 Wells Street, Greenfield, MA, to sample their kombucha, Ginger Libation and meads until 6:00 PM. Travel safe!	

The sign of vitality is not to last but to be reborn and to adapt.

Don Jose Maria Arizmendi, father of the Mondragón co-operative movement in Spain.

4. Lunch Tables & Peer to Peer Dialogs

Lunch Tables

Lunch is a great opportunity for informal networking. In addition, we will have two special tables where people can gather to engage around specific topics. Look for these signs as you sit down for lunch.:

1. **Food Safety Modernization Act (FSMA) & Food Co-ops.** Join Roger Noonan, President of the New England Farmers Union, for a discussion of the Food Safety Modernization Act (FSMA) and other legislative issues and why they matter to our food co-ops.
2. **NFCA Sourcing Activities.** Suzette Snow-Cobb, long time member of our co-operative community and our new Sourcing Coordinator, will host a table for informal dialog on the NFCA's regional sourcing efforts.

Peer to Peer Dialogs

The NFCA was established in part to support peer networking and relationship building among the management and boards of directors of our member food co-ops, as well as allied co-ops and support organizations. Peer to Peer Dialogs are an opportunity for exchange on topics of interest and to get to know your colleagues. We encourage people to split up and go to as many different dialogs as possible and bring information back to your co-op or organization. We also welcome your ideas for future topics.

Facilitators are asked to present their ideas, but also manage discussion in a manner that supports inclusive dialogue, discussion and idea sharing.

1. **Board Member Dialog for Shared Success.** Join other Board Members for a peer-to-peer dialog including discussions of how your co-op can build long term vision for more productive, collaborative, and engaged co-operative governance. As the NFCA plans a Peer Networking event for Board Members in 2018 (hosted by Upper Valley Food Co-op), where can we add the most value for you and your co-op? What are effective strategies for Board Member recruitment, onboarding, and relationship building? How can we build a stronger community of mutual support among Board Members? Facilitator: Sue Miller, Upper Valley Food Co-op. Notes: Mary Saya (UMass Intern).

ROOM: Multi-Purpose Room (C208)

2. **Using Annual Meetings to Showcase Co-op Impact.** How can your co-op use your Annual Meeting to communicate impact, engage your membership throughout the year, and contribute to success in a competitive marketplace? What role can our collective impact play in communicating your difference and the role that co-ops play in building a more just, sustainable, and inclusive economy? Facilitator: Liz Jarvis, Membership Manager, City Market, Onion River Co-op. Notes: Owen Wright (UMass Intern).

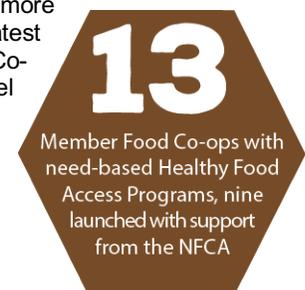
ROOM: N250 Humanities Studio

3. **Technology as a Tool to Compete.** Learn more about how online shopping, digital coupons/technology, online voting, and other tools can help co-ops engage their members, reach consumers, and how eliminating silos, and reducing technological debt will enhance you ability to better compete in the marketplace. Aaron Chase, Strategic Business Advisor, from ECRS will lead this topic. Facilitator: Kari Bradley, Hunger Mountain Co-op. Notes: Kenyon Kowalski (UMass Intern).

ROOM: Dining Commons

4. **Healthy Food Access & Diversity Programs for Inclusive Growth.** NFCA Member Co-ops have been using peer networking to launch initiatives making healthy food and co-operative membership more accessible to diverse communities and people on limited incomes. Hear about the latest innovations in HFA programs and share strategies for inclusive growth and making our Co-ops more welcoming. Facilitator: Faye Conte, City Market, Onion River Co-op. Notes: Michael Tran (UMass Intern).

ROOM: President's Conference Room



A co-operative's most valuable asset is its co-operative identity, and the value of that identity increases as the need for an alternative to the investor-driven economy becomes more and more urgent.

J. Tom Webb, in *From Corporate Globalization to Global Co-operation: We Owe It to our Grandchildren* (2016).

5. Board President's Welcome

Dear Co-operators,

As Chair of the NFCA Board of Directors, I am looking forward to welcoming you to our 7th Annual General Meeting in Greenfield, MA. As always, your Board Members are excited to have this opportunity for us to gather, to celebrate our successes, engage with our challenges, and work together to lay the groundwork for innovation, success, and impact.

As you know, a focus of the NFCA's work over the years has been collaboration on strategies for making our co-ops more welcoming, inclusive, and successful. In this context, we are particularly excited to welcome as our keynote, Doug O'Brien, President and CEO of the National Cooperative Business Association, CLUSA International (NCBA CLUSA). Doug will be speaking on the theme of "Building an Inclusive Economy: The Co-operative Difference," sharing NCBA CLUSA's vision for how co-ops can set themselves apart in a competitive marketplace by emphasizing our contribution to more participatory, equitable, growing, sustainable, and stable local economies. We are looking forward exploring how our food co-ops can be part of this vision moving forward.



Our annual meetings are opportunities for Board elections, reports on our activities, and dialog on our progress and goals. And, in keeping with our priority of creating space for peer networking, we are also looking forward to a day of presentations, dialogs, and exchange designed to support the shared success of our Member Food Co-ops and start-ups. We are fortunate to have staff who have worked to plan and carry out our annual meetings, and I'd like to thank Erbin and Bonnie for all of their work over the past year, and to thank and welcome Suzette as she joined the team at the beginning of this year. We also thank our event sponsors whose generous support allows us to come together for this Annual Meeting.

On behalf of our Board of Directors and our Member Co-ops as a whole, I want to take this opportunity to also thank our outgoing Board Members, Suzette Snow-Cobb and Joanne Todd, whose service has been so important to our success. They will both be missed, and we feel fortunate that Suzette will be continuing as staff for the NFCA, working to grow our sourcing activities.

As we celebrate our Seventh Annual Meeting, it is interesting to look back over the years since we first started to imagine the NFCA. While we may not have been able to foresee today's economic, social, and political landscape, we do know that by working together, welcoming everyone through our doors, and staying true to our co-operative principles, our co-ops are better able to serve our members and communities. The work of NFCA and the work each of you do in your own communities and beyond bring me hope that we are heading in the right direction. I look forward to this meeting for new ideas, skills, and connections to bring back and put into practice in my own co-op and community.

The contact information for your current Board of Directors is listed below. Please feel free to reach out to any of us, or Erbin, Bonnie, and Suzette, with any ideas or feedback as we work to grow our co-op of food co-ops.

In Co-operation,

Faye Conte, President

Vice President, Board of Directors, City Market, Onion River Co-op

Neighboring Food Co-op Association Board of Directors

- Faye Conte (2017-19), President // Board of Directors, City Market / Onion River Co-op, VT // fconte@hungerfreevt.org
- Kari Bradley (2017-19), Secretary // General Manager, Hunger Mountain Co-op, VT // karib@hungermountain.coop
- Joanne Todd (2016-17), Treasurer // Board of Directors, Willimantic Food Co-op, CT // joanne@nefamily.coop
- Katharine Arnold (2017-20) // Management Collective, Buffalo Mountain Co-op, VT // karnold@buffalomountaincoop.org
- John Crane (2017-20) // General Manager, Portland Food Co-op // gm@portlandfood.coop
- David Durfee (2016-17) // General Manager, Wild Oats Co-op Market, MA // gm@wildoats.coop
- Sue Miller (2017-20) // General Manager, Upper Valley Food Co-op, VT // sue@uppervalleyfood.coop
- Michael Wells (2017-19) // Board of Directors, Putney Food Co-op, VT // wellsvt@gmail.com

6. STAFF REPORT



Fellow Co-operators, Partners & Guests,

We're looking forward to seeing you all as we come together for the NFCA's Seventh Annual Meeting at Greenfield Community College in Greenfield, MA. This gathering is an opportunity for our community of co-operators to build relationships, share ideas, and gain knowledge to support the success of our co-ops. It is also a chance to celebrate together as we consider the shared impact that we have on the food system, economy, and our communities. As always, our goal is not just to update you on our work together through the NFCA, but for you to leave inspired and energized, and equipped with new tools and ideas to bring back to your co-op.

In the current political, economic, and social environment, our gatherings take on a new level of importance. Whatever our individual perspectives, for most of us, the months that have passed since we last met have been challenging. The level of disillusionment and contention in our country has continued to grow and, for some of our co-ops, the competitive environment and community divisions have been difficult to navigate. At the same time, we are seeing inspiring examples of community engagement, growth, and vitality among our food co-ops, with a new wave of start-ups working to open their doors.

How can we best support each other in this context, bearing our challenges together as well as sharing our successes, leaning on one another as well as learning from one another? From the beginning, this has been a core organizing question for the NFCA as we have worked to build a mutually supportive community of co-ops that can work together to contribute to shared success and envision a better future. At our Annual Meeting, we hope to offer some inspiration, highlighting some the examples of growth and success in our region, while also offering ideas for addressing the challenges that we face.

A focus of the NFCA's work over the years has been collaboration on the development of creative tools and strategies for ensuring that our co-ops are more welcoming, engaging, empowering and better serving our communities. In early 2017, the NFCA Board of Directors and Staff felt that it was an important time for us to make a statement on our commitment to diversity, inclusion, and democracy (see back cover). As we shared last at our last Annual Meeting, while we believe that it is important to remain open to diverse points of view, we take seriously the International Co-operative Alliance's (ICA) assertion that "political neutrality is not the same as political indifference."¹ It is important for us to speak up for our values and principles, and offer an alternative built on honoring diversity, encouraging participation, and empowering people to build healthier, more just and sustainable communities through successful, democratic, member-owned enterprises.

At a time of great doubt when people are looking for solutions that are rooted in and accountable to their communities, co-ops have a unique legacy to build on. Historically, co-operative growth has emerged from challenging times when an alternative is needed most. Throughout time, co-ops have offered a concrete alternative that operates in both the economic and social spheres, helping people to meet their needs, together. The question for us, now, is how we can best meet the challenge of a competitive marketplace and demonstrate the co-operative difference?

Our Keynote Speaker

In the Summer of 2016, the Board of Directors and Staff of the National Cooperative Business Association, CLUSA International (NCBA CLUSA), embarked on a visioning process to attempt to answer this question. As the apex organization for co-operative enterprise in the United States celebrated its first hundred years, where would it propose the movement go next? Having played a key role in the challenging economic times of the past, how will co-operative enterprise be relevant to the challenges that people face today?

In this context, we are particularly honored to welcome **Doug O'Brien**, President & CEO of NCBA CLUSA, to speak with us on the theme of "Building an Inclusive Economy: The Co-operative Difference." NCBA CLUSA is the primary voice for co-ops in the United States for using the co-operative business model to empower people in their businesses and communities. In his role as CEO, Doug is tasked with working with the co-operative community, both domestically and internationally, to deepen its impact on individuals and communities. Doug has been with NCBA CLUSA since November 2016 and he served as the Executive Vice President of Programs from then until assuming his current role in January 2018.



¹ International Co-operative Alliance, "Guidance Notes to the Co-operative Principles" (2015:12)

11,750
Pounds of NFCA
Northeast Grown Frozen Fruits
& Vegetables Purchased by
Member Co-ops in 2017

Before joining the organization, Doug led the work of the White House Rural Council and served in top positions at the U.S. Department of Agriculture Rural Development, an organization that annually finances more than 30 billion dollars in community economic development. While at the USDA, O'Brien led numerous innovative initiatives to help create opportunity and improve rural quality of life. He instituted new poverty targeting mechanisms that resulted in hundreds of millions of increased dollars for persistent poverty areas and served on the leadership team for USDA's priority initiative to support local and regional food systems. As Chair of the Rural Working Group of the Organization for Economic and Cooperative Development, O'Brien reinvigorated the rural mission of this international body that focuses on improving the policies of developed nations through research, peer learning and sharing of best practices.

Doug was raised on a diversified farm in Dubuque County, Iowa, and holds degrees from Loras College (Dubuque, Iowa), University of Iowa Law School, and the University of Arkansas Masters in Agricultural Law Program. He lives in Takoma Park, Maryland, with his wife, Alisa, and their three children. He enjoys biking, travel, spending time with his three young children, and his membership in a number of consumer co-ops.

In his comments, Doug will share his perspective on the potential for the co-operative movement to be leaders in growing a more inclusive economy in a time of social and economic anxiety and help to set the tone for an inspiring day of peer networking, workshops and presentations designed to support the shared success of our member food co-ops and start-ups, and to grow the wider Co-operative Economy. We hope you will join us in welcoming Doug, and come prepared with questions, feedback, and ideas on your co-op and the NFCA as a whole can contribute to this vision. (For background, please see Doug's article, "The Inclusive Economy: Powered by Co-ops," included in this packet.)

Report on 2017 Priorities



At our annual retreat last Fall, the NFCA Board of Directors and Staff used the Inclusive Economy framework as a tool for assessing our impact as we considered our progress over the past year as we worked to set our priorities for 2018. Over the past few years, we have seen value in aligning our work with broader efforts such as the International Co-operative Alliance's (ICA) "Blueprint for a Co-operative Decade," and the co-operative movement's efforts to contribute to the United Nations Sustainable Development Goals, which aim to "end poverty, protect the planet, and ensure prosperity for all by 2030."

On the local level, we have worked to focus our limited resources on areas identified by our Member Co-ops where we believe we can have an impact, advance our vision, and lay the groundwork for the future. These include Peer Collaboration & Member Engagement, Marketing & Education, Regional Sourcing, and Sustainable Organizational Development:

- Last year, we focused on formalizing our **Peer Collaboration & Member Engagement** activities and making them more sustainable over time. We celebrated our largest Annual Meeting to date with 150 people registered, and welcomed Cornelius Blanding, Executive Director of the Federation of Southern Co-ops, as our keynote, speaking to our theme of "Building a Co-operative Future: Diverse, Inclusive & Resilient." We also held our 2nd Annual Northeast Start-Up Workshop Day in collaboration with our partners at Food Co-op Initiative, hosted by Monadnock Food Co-op, and organized our first Peer Networking event for Finance Departments, supported by partners including Brazee & Huban, CPAs, ECRS, and NCB, and bringing together more than 33 finance staff for shared learning. We also worked to develop regional synergies with CDS Consulting Co-op, co-hosting the Co-op Café with them for the first time last fall.
- In the area of **Marketing & Education** we focused on rolling out our new logo and identity onto materials, our frozen products, and a new, improved website. We also worked on expanding the Certificate in Applied Research in Co-operative Enterprises in collaboration with the UMass Department of Economics and the Valley Alliance of Worker Co-ops. In the Spring, two interns from the program helped us complete our annual impact study, one worked with a Member Start-Up on best practices for development, and another worked with the NFCA and one of our Member Co-ops, Leverett Village Co-op, to explore strategies for measuring and communicating impact in a smaller, rural food co-op. In the Summer, another intern further investigated the impacts of our food co-ops, with his report being printed in a regional publication later in the year. For the fifth year, Erbin offered his course, "Introduction to the

5
Interns from UMass
Amherst hosted by the
NFCA and Member
Food Co-ops
in 2017

Co-operative Movement,” as an adjunct lecturer at UMass Amherst. And toward the end of the year, we worked with the Valley Alliance of Worker Co-op to establish a scholarship fund for internships in honor of a professor of economics that we have been working with over the years to establish the certificate program.

4,250
Pounds of Local Artisan Cheeses Purchased by Food Co-ops through the NFCA's Cave to Co-op Program in 2017

- In the area of **Regional Sourcing**, our priority last year was to work to make our partnership with Associated Buyers sustainable over time, providing key mechanism for collaboration in distribution. This relationship was key to the relaunch of our Farm to Freezer program in 2015, and we are still learning about what will make our line of Northeast grown frozen fruits and vegetables successful over time. As we close the second full year of the project, we will be writing off a substantial amount of product from 2016 in order to ensure that our co-ops have fresh product for their shoppers. We recognize that this is part of the risk of food system innovation and believe that with increased staffing in 2018 we will be able to focus on taking greater advantage of additional opportunities presented by this partnership.
- Our goal in **Organizational Development** was to continue to build a self-sustaining association with sufficient resources and staffing to fulfill our mission. Last year, we continued to expand our membership, bringing on 3 new Member Co-ops, including Blue Hill Co-op (ME), GreenStar Co-op Market (NY), and High Falls Co-op (NY), and 2 new start-up members including Hartford Food Co-op Initiative (CT) and Mad River Market (CT). We also worked to build stronger connections and alignment with National Co+op Grocers (NCG) with goal of supporting our shared success and the success of our Member Co-ops. Toward this end, we have worked to have regular contact with Terry Bowling, NCG Eastern Corridor Development Manager, and supported Sheila Ongie, Sustainability Manager, in the collection of impact data from shared Member Co-ops.
- We began 2017 with a **Budget Goal for 2017** of \$10,000 in Net Income as part of our effort to continue building retained earnings to support organizational stability and development. Over the course the year, however, we have faced challenges related to reduced dues income and slower than expected sales of frozen products, with a substantial write-off of unsold stock in order to ensure product quality. Thanks to our efforts to manage expenses and bring in additional sponsorship resources, we ended the year with a modest surplus of just over \$2,000. As result, we ended 2017 \$83,660 in retained earnings, or an average of \$12,000 in annual Net Income over the past seven years.



Of course, the above priorities are just part of the work we do together, and we want to take the opportunity of our Annual Meeting to share some other highlights from the past year. As mentioned above, creating opportunities for **Peer Collaboration** is one of our key priorities and our Annual Meeting in 2017 was the largest to date. We continued our dialogs on building more welcoming co-operatives, with our keynote Cornelius Blanding, challenging us with the question of What if...? “What if the residents of communities truly owned the economic base and infrastructure of their communities?” he asked. “Well, what if is possible. Because what we’re talking about are co-operatives. Organizations, businesses, economic bases, infrastructure that are owned by the people that use and benefit from them.” The answer to the challenge of food justice, continued Blanding, is ownership through co-ops.

Along these lines, we continued our **Healthy Food Access work**, with NFCA Member Programs Manager Bonnie Hudspeth convening quarterly conference calls and supporting our member co-ops by developing programs to increase access to healthy food and co-op membership, and raising the profile of our members as key partners in strengthening food security. After participating in these calls, Springfield Food Co-op launched a “Food for All” need-based discount in October, bringing to 13 the number of NFCA Member Co-ops that offer similar efforts. In April, we had the opportunity to leverage our collective influence when SB7 was introduced in NH. Our partners at Hunger Free Vermont alerted us to this legislation, which would have severely restricted eligibility to SNAP and cut at least 17,000 NH residents off of food assistance, and resulting in \$60 million fewer dollars being spent in local retailers including our NH food co-ops by families with children to buy healthy food. The NFCA worked with our NH Member Co-ops to submit op-eds to local newspapers and attend a public hearing in the State House. In the end, SB7 was stopped from going to the House floor, with one outcome being that partners such as the NH Hunger Council, NH Food Bank, and NH Legal Aid saw food co-ops as key partners in building greater food security and economic inclusion.

13
Member Food Co-ops with need-based Healthy Food Access Programs, nine launched with support from the NFCA



For the past four years, the NFCA has been organizing monthly Peer Networking Conference calls for Member Start-Ups as they work to open new food co-ops. Last year, the success of this model was recognized and replicated across the country by Food Co-op Initiative (FCI). Jacqueline Hannah, Food Co-op Development Specialist at FCI, wrote an article about these calls for Cooperative Grocer magazine. After participating in our Start-Up gathering, she said, "I continue to be wowed by the level of innovative Start-Up support happening in the Northeast under NFCA's leadership. We learn from their work and borrow their ideas to spread them nationally, like the powerful monthly peer call support system created by NFCA, which I've watched transform startup projects by leveraging minimal resources strategically."

In 2017, we partnered with FCI and local host Monadnock Food Co-op to welcome over 30 organizers representing 12 Start-Up Food Co-ops across the Northeast for our Second Annual Start-Up Workshop Day. Michael Faber, General Manager of Monadnock Food Co-op shared that "start-Up food co-ops are alive and well in New England — just look at the most recent co-ops to open in our region... I am so grateful to have NFCA taking a proactive role by hosting an annual workshop day to continue to support this movement and strengthen our regional food co-op economy."

The NFCA's "Cave to Co-op" program, a partnership with distributor Provisions International, continued to be one of our primary **Regional Sourcing** efforts, designed to introduce shoppers to our artisan cheesemakers. Each month features a specially priced cheese, supported with signage, promotional materials such as newsletter and website content, and social media. In 2017, member co-ops purchased 4,280 pounds of cheese through the program, for a total of over 21 tons purchased since its launch in 2011.

Last year was just the second full year since the relaunch of Farm to Freezer, originally a pilot project in 2011 in response to interest expressed by Member Co-ops regionally sourced and frozen fruits and vegetables. In 2017,

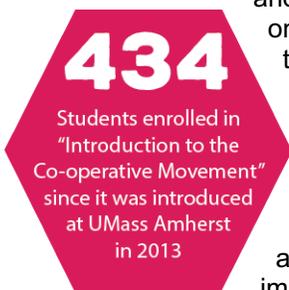


Member Co-ops purchased over 14,000 units — or more than 8,750 pounds — of NFCA branded product, which is very exciting in terms of extending the growing season for family farmers in our region. However, these figures are down from the volume purchased in 2016, and we are still working to understand product life cycles, which products work at which co-ops and why, and how to maintain consumer interest over time. Logistics for Farm to Freezer are challenging, especially because we need to purchase sufficient product during the harvest season to ensure that we do not run out until the next one.

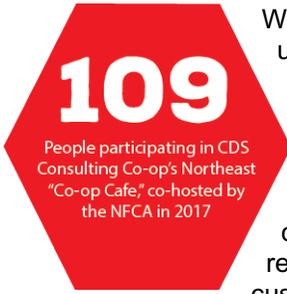
This project remains unique in its product line and scale, and because these products are available only at Member Co-ops, they represent an opportunity to set ourselves apart in the marketplace as food system innovators. We want to thank our Member Co-ops for their support of this project and ask that you continue to make a priority of promoting these products and offering feedback on how we can make the project work better for you over time. As we closed 2017, we were able to secure a multiyear grant from CoBank to help us develop our regional sourcing efforts, which is helping us bring on staff to expand our work and ensure that it is sustainable over time. We are excited to have Suzette Snow-Cobb on board as Sourcing Coordinator as we look toward to 2018 and beyond.

Central to our **Marketing & Education** efforts is measuring and communicating our shared impact, and engaging educational institutions and the next generation of co-operators. In 2017, we focused on updating member food co-op impact statistics and continuing to develop the undergraduate Certificate in Applied Economic Research on Co-operative Enterprises at the Department of Economics at the University of Massachusetts, Amherst.

For the past five years, NFCA Executive Director Erbin Crowell has served as adjunct lecturer at UMass Amherst as part of our effort to collaborate with institutions of higher learning in our region. His course, "ECON105: Introduction to the Co-operative Movement," offered through the Department of Economics, is one of the only undergraduate courses of its kind in the US that we are aware of. We also worked closely with the UMass Department of Economics and the Valley Alliance of Worker Co-ops (VAWC) to grow the Certificate in Applied Research on Co-operative Enterprises and offer internships opportunities for undergraduates through the program.



Our regional advertising in the Natural Farmer, Green Living Journal, and conference sponsorships including the Slow Living Summit, Northeast Organic Farming Association (NOFA) Winter Conferences, and the NOFA Summer Conference work to raise the profile of food co-ops as partners and innovators in the regional food system. "Co-op Corner," Erbin's new column in Green Living Journal, enabled us to communicate directly with readers about Co-op Month, sustainability, inclusion, and, in a story written by one of our interns, the impact of food co-ops on the regional food system and economy.



We also worked to help Member Co-ops tell their own stories and link up with the wider co-operative movement, developing materials such as a customizable press release for the International Day of Co-ops in July, focused on our co-ops' contribution to the theme of inclusion and the slogan that "Co-ops ensure no one is left behind." We also developed customized materials building on NCBA CLUSA's theme for Co-op Month in October, which invited co-ops to complete the phrase "Co-ops Commit..." Member co-ops received a packet of materials to help them celebrate and engage their customers, including a press release, buttons, bumperstickers, taking points for front end staff,



and "Go Co-op" materials to promote co-op suppliers on the shelves and communicate our shared impact. We were excited to continue to secure state resolutions in Massachusetts and Vermont declaring October Co-op Month.

The NFCA also worked to spread the word at regional conferences such as the Slow Living Summit, NOFA State Chapter Winter Conferences, and the regional NOFA Summer Conference where we curate an all-day track of workshops on co-ops and the food system in collaboration with partners including the Cooperative Fund of New England, New England Farmers Union, and Valley Alliance of Worker Co-ops.

As an affiliate member of the New England Farmers Union (NEFU), we continued to help advocate for our region's family farmers and fishermen — and for the co-operative business model — before policymakers in DC. NEFU President Roger Noonan has also been a leading national expert on the Food Safety Modernization Act (FSMA), helping producers navigate the requirements of this new legislation. As part of this effort, Roger led a workshop at the Northeast Organic Farming Association (NOFA) regional summer conference, as part of the NFCA's continuing "Co-op Track" of workshops.

In terms of the NFCA's **Organizational Development**, our overall goal has been to create a self-sustaining association with sufficient resources and staffing to fulfill our mission of supporting the shared success of our Member Co-ops. As part of our effort to ensure that we remain member-driven as a co-operative of food co-ops, we rely on member dues as our primary source of income. We are thankful to our Member Co-ops for their commitment to the continuing support and development of our association, and to supporting shared success through the allocation of financial resources. At the same time, we work to access supplemental sources of income to support our work, increase our impact, and ensure long-term sustainability. In 2017, we were able to expand our activities and end up with a small surplus thanks to substantial sponsorships and program support from partner organizations, and grants for technical assistance aligned with organizational priorities. We have formal partnership agreements with Associated Buyers, Cooperative Fund of New England, Food Co-op Initiative, and New England Farmers Union, with the goal of supporting shared impact and success.

2018 Priorities & Budget

In the Fall of 2017, the NFCA Board of Directors held their annual retreat with Staff at Upper Valley Food in White River Junction, VT, to review feedback from our Members, consider the evolving landscape, and develop goals for the coming year. Staff then proposed to the Board priorities for the coming year within the context of our mission of leveraging the resources, purchasing power, experience and creative innovation of our Members, other co-operative enterprises and organizational partners to support the shared success of our food co-ops, advance our vision for a co-operative economy.

As we enter 2018, we see great potential in emerging alignment of the NFCA with NCBA CLUSA's vision for the role of co-ops in building a more inclusive economy — which is one reason why we are so excited to welcome Doug as our keynote.

- Toward this end, we will be exploring ways to integrate the Inclusive Economy framework into our **Marketing & Education** activities as a tool for differentiating our co-ops in a competitive marketplace. Our goals are to communicate the impact of member co-ops in the region, present the unique nature of co-operative enterprise and its contribution to more just and sustainable economies, and promote our member co-ops to consumers and food system advocates. In addition to our own efforts, we will provide tools and content for member co-ops to help them tell our stories. As 2018 is also the 10th Anniversary of the Hoffer Study, a seminal document in our effort to

Eat Local...

...All Year 'Round!

The bounty of the harvest season may have passed, but you can still enjoy delicious, regionally grown produce — including frozen Blueberries, Organic Broccoli, Organic Edamame, Organic Green Beans, and Sweet Corn — from Northeast family farmers.

Ask for them at your Neighboring Massachusetts Food Co-op!

- Green Fields Co-op Market, Greenfield
- Livestart Village Food Co-op, Leverett
- McCusker's Co-op Market, Shelburne Falls
- Old Creamery Co-op, Cummington
- Quabbin Harvest Co-op, Orange
- River Valley Co-op, Northampton
- West Gate Co-op Market, Westhampton

Find a Food Co-op near you at www.nfca.coop/members

NEIGHBORING FOOD CO-OP ASSOCIATION
PO Box 93, Shelburne Falls, MA 01370
info@nfca.coop // www.nfca.coop

GO COOP

encourage regional collaboration among our co-ops to communicate our shared impact, we will work with interns to update our impact statistics and measure our progress over the past 10 years.

- Our overall goal in **Peer Collaboration** is to engage our Member Co-ops in our shared impact and progress toward our vision, facilitate peer to peer collaboration in areas aligned with this vision, and contribute to the mutual success of our member co-ops, our association and the wider co-operative movement. In 2018, we will continue to formalize these activities, holding a peer to peer event specifically for Board Members where we will invite their ideas on how we can help build relationships and shared success. Building on the success of our Healthy Food Access peer audit we will develop a formal structure for audits among Member Co-ops to obtain feedback, share ideas, and contribute to shared success in other areas.
- In the area of **Regional Sourcing**, our goal is to use our shared purchasing power to create sourcing projects that demonstrate the potential of our association strengthening the competitive advantage of our members through innovative sourcing initiatives, branded product, and unique items and offers. In 2018, we will continue our collaboration with Associated Buyers to support shared success and provide benefits to our Member Co-ops. With new staff in place, we will work with Member Co-ops to evaluate existing sourcing programs and identify key opportunities to create value-added in the future. Central to our planning will be exploring how to make these programs sustainable over time.
- Our overall goal in **Organizational Development** is to create a self-sustaining secondary co-operative of food co-ops with sufficient resources and staffing to fulfill our mission. While it is important that we be supported primarily by and accountable to our Member Co-ops, a central strategy in this effort is developing partnerships that can help us to maximize our impact on the food system, economy and policy, collaborating with organizations that share our vision and priorities. We want to grow our Membership to serve more food co-ops, increase shared success in our region, and broaden our income base, while ensuring that we remain focused on efforts that add value and help us retain our existing Member Co-ops. In the coming year, our goal is to bring on two new Member Co-ops and one new Start-Up Member. Parallel to this work, we will continue to cultivate our working relationship with NCG, focusing on regional collaboration.



For 2018, we are planning for a breakeven budget, due to increased investment in capacity and reduction in expected dues primarily as a consequence of planned expansions. While our co-ops continue to face a competitive environment, we are excited to share that there is exciting growth in our region, with a number of co-ops planning expansions and additional locations in the next couple of years, and at least one new food co-op planning to open their doors in 2018. Our income will also be supplemented by a generous grant from our partners at CoBank that will support development of our sourcing activities.

We welcome your feedback on our priorities as we work toward our vision of a thriving co-operative economy, rooted in a healthy, just and sustainable food system, and a vibrant community of co-operative enterprise.

THANK YOU!

As always, we want to thank our Member Co-ops for their commitment to and support of their co-operative, the NFCA, and for taking this day to join with their Neighboring Co-operators and partners from across our region. We especially want to thank our members and guests who have stepped up to sharing their ideas and experiences on our panels, workshops and peer dialogs. Staff also want to express our profound thanks to our Board of Directors for their continuing support, feedback and guidance over the past year.

Special thanks to our sponsors, and especially to **CoBank, Associated Buyers, Cabot, and National Cooperative Bank**, for their generous support of our Seventh Annual Meeting, and to all of our partners in the co-operative community that have provided sponsorship, food and other assistance. Please take a minute to review all of our partners on page 2 of this packet.

Finally, please mark your calendars now for these important events coming up in 2018:

- **NFCA Regional Start-Up Training, Saturday May 5th, 2018.** Start-Ups: Please mark your calendars now for this day of workshops and networking, in collaboration with FCI and hosted by Monadnock Food Co-op in Keene, NH. This will be our third year offering this day long even designed to support the success of our member Start-Ups.
- **Board to Board Peer Network Training, Saturday September 15th, 2018.** Please ask your Board Chair to contact Bonnie for more information on this event for Board Members of NFCA Member Co-ops, hosted

by Upper Valley Food Co-op in White River Junction, VT. This will be a unique opportunity for Board Members to gather in a peer to peer environment.

- **CDS Co-op Café, Saturday 13th October 2018.** The NFCA be co-hosting CDS Consulting Co-op's "Co-op Café" again in 2018, with theme of "Expanding the Vision of 'We.'" Please start thinking about the staff and board members that you may send to this engaging event and look for more information as we get closer to the date.
- **Co-operative Business Training with Saint Mary's University, November 1-3rd, 2018.** Join us in Greenfield, MA, for three days of interactive learning focused on "Enhancing Business Performance through Co-operative Management Practices: How to Strengthen Identity, Loyalty and Participation." For managers, staff, and board members of co-operative enterprises of all types. Please contact us for more information on discounted registration for NFCA Member Co-ops.
- **NFCA Eighth Annual Meeting, 23rd March 2019.** Please mark your calendar and plan to join us in 2019 as we celebrate our 8th Annual Meeting!

We're looking forward to seeing you all in Greenfield. In the meantime, please feel free to be in touch with any questions or feedback in advance of our Annual Meeting.

In Co-operation,



Erbin Crowell
Executive Director
erbin@nfca.coop



Bonnie Hudspeth
Member Programs Manager
bonnie@nfca.coop



Suzette Snow-Cobb
Sourcing Coordinator
suzette@nfca.coop



3

Staff that will be working hard to support the shared success of our Member Co-ops in 2018!

What was the motivation of the Rochdale Pioneers, who codified the values and principles on which the co-operative movement has based since 1844? We know it today as food security.

Dame Pauline Green, President, International Co-operative Alliance (2012)

9. Minutes, Annual Meeting 2017

NEIGHBORING FOOD CO-OP ASSOCIATION
2017 Annual General Meeting
Saturday, 18th March 2017
Greenfield Community College, Greenfield, MA

MEETING MINUTES (DRAFT TO BE APPROVED AT AGM 2018)

Members Present:

- | | |
|--|---|
| 1. Brattleboro Food Co-op (VT) | 14. Plainfield Food Co-op (VT), |
| 2. Buffalo Mountain Food Co-op (VT) | 15. Portland Food Co-op (ME) |
| 3. City Market, Onion River Co-op (VT) | 16. Putney Food Co-op (VT) |
| 4. Co-op Food Stores, Hanover Consumer Co-operative Society (NH, VT) | 17. Quabbin Harvest Food Co-op (MA) |
| 5. Fiddleheads Food Co-op (CT) | 18. River Valley Co-op, Northampton Community Co-op (MA), |
| 6. Franklin Community Co-op (MA) | 19. Rutland Area Food Co-op (VT) |
| 7. Good Tern Co-op (ME) | 20. South County Food Co-op (RI) |
| 8. GreenStar Co-op Markets (NY) | 21. Springfield Food Co-op (VT) |
| 9. Hunger Mountain Co-op (VT) | 22. Stone Valley Community Co-op Market (VT) |
| 10. Leverett Village Co-op (MA) | 23. Upper Valley Food Co-op (VT) |
| 11. Littleton Food Co-op (NH) | 24. Wild Oats Co-op Market (MA) |
| 12. Middlebury Natural Foods Co-op (VT) | 25. Willimantic Food Co-op (CT) |
| 13. Monadnock Food Co-op (NH) | |

Members Absent:

- | | |
|-------------------------------|----------------------------|
| 1. Harvest Co-op Markets (MA) | 2. Old Creamery Co-op (MA) |
|-------------------------------|----------------------------|

Board: Suzette Snow-Cobb (President), Glenn Lower (Vice President), Joanne Todd (Treasurer), Kari Bradley (Secretary), Faye Conte, David Durfee, Kay Litten, Sue Miller, Michael Wells.

Staff: Erbin Crowell (NFCA Executive Director) & Bonnie Hudspeth (NFCA Member Programs Manager)

Associate Members Present:

- | | |
|------------------------------------|-------------------------------------|
| 1. Amherst Food Co-op (MA) | 7. Manchester Food Co-op (NH) |
| 2. Assabet Village Food Co-op (MA) | 8. Merrimack Valley Food Co-op (MA) |
| 3. Dorchester Food Co-op (MA) | 9. Morrisville Food Co-op (VT) |
| 4. Granite City Co-op (VT) | 10. Souhegan Valley Food Co-op (NH) |
| 5. Great River Co-op (NH) | 11. Urban Greens Food Co-op (RI) |
| 6. Holyoke Community Co-op (MA) | |

-
- Welcome.** The Members of the Neighboring Food Co-op Association (NFCA) gathered for its Sixth Annual General Meeting under the theme, "Build a Co-operative Future: Diverse, Inclusive & Resilient." The meeting was chaired by Suzette Snow-Cobb, NFCA Board President.
 - Board Report.** Suzette Snow-Cobb reported on 2016 activities from the perspective of the Boards of Directors.
 - Amendment to the Bylaws.** The Members considered a proposal by the Board of Directors to amend item 6.3 of the Bylaws as follows:

"The term of each Director shall be ~~two~~ three years, except that in the initial election, the Board of Directors may provide for staggered terms so that approximately an equal number of Director positions become vacant each year."

It was further proposed that the Board of Directors would then determine how to allocate 2- and 3-year terms among the 6 candidates elected at the conclusion of the Annual Meeting. Glenn Lower (Middlebury Natural Foods Co-op) made the motion, with Annie Galliard (Buffalo Mountain Co-op) seconding. A vote of 2/3 of Member Co-op present was required for passage, and the amendment was approved with 20 Members Co-ops voting for the amendment, 0 voting against, and 2 abstaining.
 - Staff Report.** NFCA Executive Director Erbin Crowell and Member Programs Manager Bonnie Hudspeth reported on activities and financial results for 2016, and priorities and budget for 2017. New England Farmers Union (NEFU) President Roger Noonan was invited to offer an update on legislation relevant to the regional food system and economy. An opportunity for questions and feedback was presented.
 - Keynote.** Cornelius Blanding, Executive Director of the Federation of Southern Co-operatives / Land Assistance Fund, served as keynote for the Annual Meeting. Blanding offered his observations under the title, "The Next Half Century of Co-operation," reflecting on the 50th Anniversary of the Federation, the role of co-operation in movements for Civil Rights, Black

land retention, and community empowerment, and opportunities for collaboration and solidarity in a new political environment.

6. **Peer Networking.** Attendees were invited to dialog on a number of Peer Networking topics including 50 Years of Co-operation: The Federation of Southern Co-ops, Strategies for a Competitive Marketplace, Meeting with Financiers, Our Co-ops' Role in an Unstable Political Environment, Attracting & Retaining Great Board Members, Legal Grab Bag, "Healthy Food Access" Programs, Messaging & Framing to Better Engage Your Members, Start-up Board Roles & Board Budgets, Food System Advocacy in a New Political Environment, Co-operative Management Education.
7. **Workshops.** Afternoon Workshop topics included Access, Inclusion & Participation, Expansions & Resets, and Financial Tools for Start-Ups.
8. **Board Elections.** Election Committee Chair Joanne Todd reported on the results of the Board of Directors Election, with Kate Arnold (Management Collective, Buffalo Mountain Co-op), Kari Bradley (General Manager, Hunger Mountain Co-op), Faye Conte (Board, City Market, Onion River Co-op), John Crane (General Manager, Portland Food Co-op), Sue Miller (General Manager, Upper Valley Food Co-op) and Michael Wells (Board, Putney Food Co-op) elected to the Board of Directors. Twenty-Two Member Co-ops voted, with all candidates receiving 22 votes.
9. **Appreciations.** Suzette Snow-Cobb and Kari Bradley shared their appreciations for outgoing Board Members, Glenn Lower and Kay Litten. Co-op Food Stores' General Manager Ed Fox then joined NFCA President Suzette Snow-Cobb in awarding Kay Litten with the Third Annual Neighboring Co-operator Award.
10. **Adjourn.** The Annual Meeting was adjourned at 4:30 PM, with the next Annual Meeting scheduled for Saturday, 17th March 2018.

Date: _____

Secretary: _____
Signature

Printed Name



THE NEIGHBORING FOOD CO-OP ASSOCIATION

Member Food Co-operatives

1. Blue Hill Co-op, Blue Hill, ME (Joined 2017)
2. Brattleboro Food Co-op, Brattleboro, VT (2011)
3. Buffalo Mountain Food Co-op, Hardwick, VT (2011)
4. City Market / Onion River Co-op, Burlington, VT (2011)
5. Co-op Food Stores / Hanover Consumer Co-op Society, Hanover & Lebanon, NH, and White River Junction, VT (2011)
6. Fiddleheads Food Co-op, New London, CT (2012)
7. Franklin Community Co-op (Green Fields Market & McCusker's Market) Greenfield & Shelburne Falls, MA (2011)
8. Good Tern Co-op, Rockland, ME (2016)
9. GreenStar Co-op Markets, Ithaca, NY (2016)
10. Harvest Food Co-ops, Cambridge & Jamaica Plain, MA (2017)
11. High Falls Food Co-op, High Falls, NY (2017)
12. Hunger Mountain Co-op, Montpelier, VT (2011)
13. Leverett Village Co-op, Leverett, MA (2011)
14. Littleton Food Co-op, Littleton, NH (2011)
15. Middlebury Natural Foods Co-op, Middlebury, VT (2011)
16. Monadnock Food Co-op, Keene, NH (2013), Associate 2012
17. Old Creamery Co-op, Cummington, MA (2012)
18. Plainfield Food Co-op, Plainfield, VT (2011)
19. Portland Food Co-op, Portland (2016)
20. Putney Food Co-op, Putney, VT (2011)
21. Quabbin Harvest Food Co-op, Orange, MA (2014)
22. River Valley Co-op, Northampton, MA (2011)
23. Rutland Area Food Co-op, Rutland, VT (2011)
24. South County Food Co-op, South Kingstown, RI (2013, Closed 2017)
25. Springfield Food Co-op, Springfield, VT (2012)
26. Stone Valley Community Co-op Market, Poultney, VT (2011)
27. Upper Valley Food Co-op, White River Junction, VT (2011)
28. Wild Oats Co-op Market, Williamstown, MA (2011)
29. Willimantic Food Co-op, Willimantic, CT (2011)

Associate Members (Start-Ups)

1. Amherst Food Co-op, Amherst, MA (Joined 2012)
2. Assabet Village Food Co-op, Maynard, MA (2012)
3. Dorchester Food Co-op, Dorchester, MA (2012)
4. Granite City Co-op Grocery, Barre, VT (2012)
5. Great River Co-op, Walpole, NH (2012)
6. Holyoke Community Co-op Market, Holyoke, MA (2014)
7. Manchester Food Co-op, Manchester, NH (2011)
8. Merrimack Valley Food Co-op, Lawrence, MA (2011)
9. Morrisville Food Co-op, Morrisville, VT (2013, Opened 2017)
10. Souhegan Valley Food Co-op, NH (2015)
11. Urban Greens Food Co-op, Providence, RI (2012)



Larger, more established co-operatives or co-operative groups should take a close interest in inter-co-operative engagement and links with smaller co-operatives, newer co-operatives and those at different stages of development. This is of mutual benefit in sustaining the co-operative commonwealth and in demonstrating the diversity and adaptability of the co-operative approach to business.

International Co-operative Alliance, *Guidance Notes to the Co-operative Principles* (2015:77)

12. Board of Directors & Staff, 2017



Back Row (L to R): Katharine Arnold (Management Collective, Buffalo Mountain Food Co-op), Suzette Snow-Cobb (Staff, Leverett Village Food Co-op), John Crane (General Manager, Portland Food Co-op), David Durfee (General Manager, Wild Oats Market) Erbin Crowell (Staff, Executive Director).

Front Row (L to R): Michael Wells (Board President, Putney Food Coop), Sue Miller (General Management Team, Upper Valley Food Coop), Kari Bradley (General Manager, Hunger Mountain Co-op) & Bonnie Hudspeth (Staff, Member Programs Manager). **Not Pictured:** Joanne Todd.

BOARD OF DIRECTORS

Faye Conte, President, Jan 2018 - Present (Board of Directors, City Market / Onion River Co-op, Burlington, VT)

Faye has served on the Board of Directors of City Market, Onion River Co-op in Burlington, VT, since 2012 and is currently Board Vice President. She became a member of City Market a week after moving to Burlington in 2008, became a staff member shortly thereafter, and have been hooked on the co-operative model ever since. Faye works at Hunger Free Vermont, a nonprofit dedicated to ending the injustice of hunger for all Vermonters. In this role, she has collaborated with NFCA on the Healthy Food Access project, helping member co-ops build programs and policies that ensure all community members feel welcome at their local co-op and can afford nutritious food. She has a background in policy, community development, economics, and organizational management.

Suzette Snow-Cobb, President, Apr 2017 – Jan 2018 (Staff, Leverett Village Co-op, MA)

Suzette has been involved with food co-ops since the mid '80s. For two decades she worked for Franklin Community Co-op and in 2017 joined the staff of the Leverett Village Co-op. Suzette also serves on the board of the Valley Co-operative Business Association and as Stakeholder Director for Valley Alliance of Worker Co-ops board. In May 2013, she completed her degree of Master of Management: Co-operatives and Credit Unions (MMCCU) from the Co-operative Management Education program at Saint Mary's University, Nova Scotia. She brings a knowledge and experience of diverse co-ops, an enthusiasm for collaboration, and a desire for the success of the co-operative movement as a viable system..

Kari Bradley, Secretary (General Manager, Hunger Mountain Co-op, Montpelier, VT)

Kari has served as General Manager for Hunger Mountain Co-operative in Montpelier, VT for 12 years and serves on the steering committee for National Co-op Grocer's (NCG) Eastern Corridor as well as his local school board. He believes strongly in the principles of excellent governance.

Joanne S. Todd, Treasurer (Board Member, Willimantic Food Co-op, CT)

Joanne Todd serves as Board Treasurer of the Willimantic Food Co-op in Connecticut, where she is also President of Northeast Family Credit Union. Joanne brings a board member and co-operative business perspective to her role on the NFCA Board. Serving on the Board since 2014, she believes even more strongly that NFCA is vital to collaboration among food co-ops. Joanne joined the staff of Northeast Family Credit Union, a financial co-operative, 35 years ago as a teller and has been committed to co-operatives in her volunteer and professional endeavors. She holds a Bachelor of Science in Accounting and a Master of Business Administration from the University of Connecticut, is an International Credit Union Development Educator, and has participated in many credit union and co-operative programs nationally and internationally.

Katharine Arnold (Management Collective, Buffalo Mountain Co-op, Hardwick, VT)

Katharine has been involved in co-ops since the early 70s and continues to have a commitment and passion toward furthering the Co-operative Movement and the mission of NFCA. She has been part of the Collective Management Team at Buffalo Mountain Co-op for over 15 years and was originally hired to open and manage their café. Currently, she is the Board-Staff liaison and the Development Manager.

John Crane (General Manager, Portland Food Co-op, Portland, ME)

John Crane began his career in the co-operative world in 2002, when he was hired as the supplement buyer for the Rising Tide Co-op in Damariscotta, Maine. During his nine-year tenure at Rising Tide, he served as Grocery Manager, Point of Sale Manager, and Assistant General Manager. In 2012, while working as the Information Services Manager for a Portland company, he joined the Portland Food Co-op buying club (the retail store had not yet opened). He served on both the business planning and space design committees during their start-up phase and also served on the Board of Directors. In 2015, John left the Board to become the co-op's General Manager and is still doing that to this day.

David Durfee (General Manager, Wild Oats Market, MA)

David has been the General Manager at Wild Oats Market in Williamstown, MA, for the last four years. He still considers himself a "new" GM, and believes peer support provided by fellow NFCA members continues to be very valuable. David has served on various boards over the years.

Sue Miller (Store Manager, Upper Valley Food Co-op, White River Junction, VT)

Sue Miller has been an employee of the Upper Valley Food Co-op since 2004 and the Co-General Manager for the past 6 years. She has also been on the Board of NFCA for the past two years. Prior to joining UVFC, she spent time as an accountant and as the owner of a small herbal products business. Also, for the past 20 years, she has been a licensed acupuncturist and herbalist. When not at the UVFC or seeing patients, she loves to garden and work with the energies of nature.

Sue is passionate about all things health- and food-related. She is particularly interested in helping to develop a safe, local food system in the New England region, as well as a distribution network to support a strong local economy that provides healthy food for all. Sue feels that being a Board Member of the Neighboring Food Co-op Association allows her to more actively use her skills and passion in the creation of a local food system.

Michael Wells (Board President, Putney Food Co-op, Putney, VT)

Michael has been an active participant in food co-ops since the early seventies, and is still having a good time! He's served on the Putney Food Co-op Board since 1990, is currently Board President, and is passionate about the Co-operative business model. Michael has been a Putney representative to the NFCA since its inception, and was elected to the Board in 2015. He feels that the NFCA is a unique and successful organization that is strengthening regional Co-ops and leading the way toward a more integrated and effective Co-operative economy. Michael is a retired building contractor, currently working as a building construction consultant and enjoys running, cycling, hiking and Nordic skiing.

STAFF

Erbin Crowell, Executive Director

Prior to joining the NFCA, Erbin worked with the Cooperative Fund of New England, the Valley Alliance of Worker Co-ops and as an independent co-operative development consultant for organizations including the Federation of Southern Co-operatives. For more than a decade, he was a member of the worker co-op Equal Exchange, a worker co-op and pioneer in the Fair Trade movement, where he developed innovative programs in Domestic Fair Trade and collaboration with faith-based relief and development organizations.

Erbin serves First Vice Chair of the Board of Directors of the National Co-operative Business Association, CLUSA International, where he recently facilitated the Board's Visioning Task Force, and as Vice President of the New England Farmers Union. He holds a Master of Management: Co-operatives & Credit Unions from Saint Mary's University in Nova Scotia, and is an adjunct lecturer at the University of Massachusetts, Amherst, where he teaches courses on the co-operative movement.

Bonnie Hudspeth, Member Programs Manager

Prior to joining the NFCA, Bonnie served as Project Manager for the start-up of Monadnock Food Co-op, creating the founding organizational structure and overseeing pre-operational development and fundraising to create a co-operatively owned grocery store in Keene, NH, that opened in April, 2013.

She serves on the Board of Trustees of the Cooperative Fund of New England (CFNE), a community development loan fund that facilitates socially responsible investing in co-operatives, community-oriented non-profits, and worker-owned businesses in New England and adjacent communities in New York. Bonnie holds a master's degree in Sustainable Community Development through Antioch University New England.





Participatory



Equitable



Growing



Stable



Sustainable

The Inclusive Economy: Powered by Co-ops

The best business model to drive economic change

By Doug O'Brien

People are having a harder time finding their place in an economy that in many ways seems to exclude more and more workers, families and entrepreneurs. Trends in inequality, poverty and job availability have prompted researchers, policymakers and society in general to look for strategies on how to meaningfully include more people in an economy that seems to be trending toward decreased opportunity and workplace instability for many. This article points to a proven strategy that has been used by people for generations: the cooperative business model.

This article examines some of the troubling trends that people face in today's economy, explores recent work around envisioning what a more inclusive economy could look like, and then applies the inclusive economy framework to examples within the cooperative movement. The article concludes that by joining forces, the cooperative movement and those working toward a more inclusive economy could make a deeper impact on empowering people in economy and society.

The cost of inequality

A consensus is emerging that inequality not only impairs the livelihoods of the people on the lower rungs of the economic ladder, but also a nation's economy as a whole. Increased inequality tends to depress the gross domestic product, decrease human capital and limit the number of people who can invest in the economy.¹ According to Christine Lagarde, Managing Director of the International Monetary Fund, "excessive inequality makes capitalism less inclusive. It hinders people from participating fully and developing their potential. Disparity also brings division. The principles of solidarity and reciprocity that bind societies together are more likely to erode in excessively unequal societies."²

After several generations of largely declining or holding steady, inequality has increased for the first time in the 1970s so that by 2015 the top 20 percent of people made more than 16 times that of the bottom 20 percent.³ In terms of wealth (as opposed to income), 50 percent of all U.S. wealth is held by the top three percent.⁴

Focusing on those near the bottom of the economic ladder, poverty in the U.S. generally decreased over

"...excessive inequality makes capitalism less inclusive. It hinders people from participating fully and developing their potential. Disparity also brings division. The principles of solidarity and reciprocity that bind societies together are more likely to erode in excessively unequal societies." — Christine Lagarde

the past few years, but is still stubbornly high at 13.5 percent. That means more than 43 million people in the U.S. live in households below the poverty line, defined for a family of four at an annual income of \$24,250. For certain groups, the statistics tell an even starker tale: the child poverty rate is 19.7 percent; African American poverty stands at 24.1 percent; and the poverty rate among Hispanics is 21.4 percent.⁵

What about jobs? We know the dynamic U.S. and global economy is opening new options for the types of work available to many people in the job market. The gig economy is one example, loosely defined as a labor market in which "temporary, flexible jobs are commonplace and companies tend toward hiring independent contractors and freelancers instead of full-time employees."⁶ While the gig economy provides a significant amount of autonomy and flexibility for workers, it also creates instability and generally provides few or no benefits such as health care and retirement savings.⁷ Observers of the gig economy point out that not only do many of these workers lack benefits, they tend to have lower incomes and miss out on a number of tax advantages that traditional employees enjoy.⁸ Perhaps because of these reasons, many workers in the gig economy

1 OECD. In It Together: Why Less Inequality Benefits Us All. May 2015. Printed Report.

2 Forbes. "Finance Less Proud and Industry More Content": London Talks Inclusive Capitalism." Accessed on June 20, 2017 at <https://www.forbes.com/sites/dinamedland/2014/05/27/finance-less-proud-and-industry-more-content-london-talks-inclusive-capitalism/#17a8583c48c0>

3 United States Census Bureau. "Shares of Aggregate Household Income by Quintile: 2015 American Community Survey 1-year Estimates" U.S. Department of Labor. 2016. Accessed on June 20, 2017 at http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?_af=ACS_15_1YR_B19082&prodType=table

4 Center on Budget and Policy Priorities. "A Guide to Statistics and Historical Trends." Nov. 2016. Accessed on June 20, 2017 at <http://www.cbpp.org/research/poverty-and-inequality/a-guide-to-statistics-on-historical-trends-in-income-inequality>.

5 Proctor, Bernadette D., Jessica L. Semega, and Melissa A. Kollar. "Income and Poverty in the United States: 2015" United States Department of Labor. 2015. Accessed on June 20, 2017 at <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-256.pdf>; Torpey, Elka *et al.* "What is the Gig Economy?" Bureau of Labor Statistics. 2016. Accessed on June 23, 2017 at <https://www.bls.gov/careeroutlook/2016/article/what-is-the-gig-economy.htm>.

6 "Gig Economy Definition." Investopedia. Accessed Jun 30, 2017 at <http://www.investopedia.com/terms/g/gig-economy.asp#ixzz4jV7ejYWC>

7 Torpey *et al.*, *supra*.

8 Gillespie, Patrick "Gig Economy Workers." CNNMoney. October 27, 2016. Accessed on June 30, 2017 at <http://money.cnn.com/2016/10/27/news/economy/gig-economy-workers/>.

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would prefer to have full-time employment, but millions can't find better jobs or pay.

While the gig economy may create relatively insecure jobs, researchers note that 47 percent of current U.S. jobs are at a "high risk" of being automated in the relatively near future.⁹ Another potential challenge—and perhaps an opportunity—is the result of an aging population. Baby-boomers are retiring and, as they do, a looming "crisis" is anticipated: mass small business closings. Baby-boomers own about half of all American privately held businesses with employees.¹⁰ Additionally, a vast majority of them (roughly 85 percent) have no plan for the business' continued operation after their retirement. Many of these business owners struggle to find a buyer—particularly a local buyer who wishes to keep the business in or near its current location. With either the direct closing of the business, or its sale to a larger and physically distant competitor, employees will often lose their jobs and the local economy will lose out on the benefits of a locally owned and operated small business.

Envisioning a more inclusive economy

The dynamics around stagnant wages, increased inequality and the uncertainty of many new jobs has increased insecurity for many U.S. families and those around the world. Further, traditional metrics for success in the economy tend to be narrowly focused on indicators around income and wealth, thus minimizing other significant factors that measure the wellbeing of households and the economy. So researchers and policymakers have sought ways to measure the economy that go beyond traditional

income and employment metrics that "suggest the need to consider all dimensions of economic life"¹¹ in the context of a more inclusive economy. The term "inclusive economy" has been defined in a number of ways, but generally captures the notions of opportunity for everyone—no matter their geography or demographic—as well as the ability to live with dignity.¹² As stated in a recent report supported by the Rockefeller Foundation, an inclusive economy is defined as "one in which there is expanded opportunity for more broadly shared prosperity, especially for those facing the greatest barriers to advancing their well-being."¹³

The report's authors, Chris Benner and Manuel Pastor, describe how economic thinking has evolved toward the emerging "inclusive economy" framework. In the mid-to-late 20th century, conventional thinking dictated that inequality was necessary at early stages of economic growth, predicting that wealth would trickle down and eventually the poor would benefit from a stronger economy. More recently some economists have challenged this notion—both theoretically and empirically—pointing to the lack of any evidence that the cycle eventually results in decreased inequality.¹⁴ Economists then focused on lower-income populations, with two of the approaches called "pro-poor growth" and "inclusive growth." The pro-poor growth concept focuses on how the poor benefit in the economy—primarily through income, but in some cases researchers looked to non-income factors such as education, health and nutrition. The concept of inclusive growth goes a step further, asserting that inequality is "bad for things like political stability and social cohesion."¹⁵

9 See Frey, Carl Benedickt & Michael A. Osborne. "The Future of Employment: How Susceptible Are Jobs to Computerisation?" Oxford Martin School, University of Oxford, Oxford, OX1. Sept. 2013. Accessed on June 20, 2017 at http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf.

10 "Small Business Closure Crisis." Project Equity. <http://www.project-equity.org/communities/small-business-closure-crisis/>. Accessed June 20, 2017.

11 Benner, Chris & Manuel Pastor. "Inclusive Economy Indicators: Framework and Indicator Recommendations." Rockefeller Foundation Report. Dec. 2016. p.3. Accessed on June 30, 2017 at <https://assets.rockefellerfoundation.org/app/uploads/20161212162730/Inclusive-Economies-Indicators-Full-Report-DEC6.pdf>.

12 For a simple definition of "inclusive economy" see Murawski, Sara. "Towards an Inclusive Economy." The Broker. May, 2013. Accessed on July 18, 2017 at <http://www.thebrokeronline.eu/Blogs/Spurring-economic-transition/Towards-an-inclusive-economy>. "Inclusive economy means creating more sustainable and inclusive societies that aim at including all members of society in the growth process itself instead of distributing wealth among them after periods of steep growth. Additionally, inclusive economy models are targeted at preventing global economic crises by regulating capital flows and reforming the financial system. Inclusive economies also pay attention to the environment, aiming at a sustainable and green global economy."

13 Benner and Pastor, *supra*, p.3.

14 Benner and Pastor, p.4.

15 Benner and Pastor, p.5. See also Shearer, Richard & Alan Berube. "The Surprisingly Short List of US Metro Areas Achieving Inclusive Economic Growth." Brookings Institution. April, 2017. Accessed on June 20, 2017 at <https://www.brookings.edu/blog/the-avenue/2017/04/27/the-surprisingly-short-list-of-u-s-metro-areas-achieving-inclusive-economic-growth/>; A key statement: "recent failures to achieve inclusive growth, especially in advanced economies like Europe and the United States, helps to explain the political and societal divisions they increasingly face."

Inclusive growth also tends to look not only at outcomes, but also to process so that all members of society are able to participate and contribute to economic growth.¹⁶

Finally, the concept of inclusive economies builds on these earlier concepts by drawing on other fields of study that “emphasize aspects of the economy that are poorly captured in more traditional metrics of economic progress” such as political economy, ecological economics and theories of well-being and social development.¹⁷ These approaches capture benefits and costs to society that more traditional notions of GDP do not, such as contributions of people who do not receive income or the costs of environmental degradation. Benner and Pastor describe five characteristics, along with proposed indicators, of an inclusive economy: equitable, participatory, growing, sustainable and stable.¹⁸

Work around the inclusive economy has tended to focus on people’s place in the broader economy; this article considers an important related question: how do the concepts around the inclusive economy connect to people’s relationships in the firms with whom they do business? Researchers have already begun work on this question. For example, in October 2016, B Lab released a set of metrics designed to help B Corporations move toward a more inclusive economy. In another example, Business for Social Responsibility (BSR) works with many of the world’s largest corporations and “develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.”¹⁹ One of BSR’s areas of focus is the inclusive economy, where it works with companies “to integrate human rights, inclusive supply chain practices, robust stakeholder and community engagement, and transparent



Cooperativa Café Timor’s network of clinics—the largest private health provider in the country—has served more than 2 million people.

Photo: Sarah Crozier

reporting into business practices.”²⁰ While there are examples of the traditional business community expressing the importance of investing in a more inclusive economy so that more people have the tools to contribute to the business’ and the economy’s financial bottom line,²¹ the work is just beginning on what types of business organizations are more likely to empower people in their businesses as a strategy for a more inclusive economy.

Well before the term was coined, people understood and used a particular type of business organization—cooperatives—as a tool to help people obtain a more inclusive economy. For example, in 1961, Congressman Jerry Voorhis, then Executive Director of the Cooperative League of the United States (now NCBA CLUSA), stated: “If...concentration of power is the cause of the present weakness of our society, we can nonetheless show that we know a counteractive to that power which can restore responsibility and hope to the average citizen. ... It is the simple counteractive of cooperation, the method of mutual aid. Any groups of people anywhere on earth can use that same method *both* to raise their living standards *and* enhance their freedom *and* build their human dignity.”²² Voorhis makes clear that the cooperative movement has always been about expanding opportunity for a more broadly shared prosperity,

16 For an extended body of work on inclusive growth, see the Organization of Economic Cooperative Development which has launched an extensive initiative on the subject and defines “inclusive growth” as “economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society.” Access at <http://www.oecd.org/inclusive-growth/>.

17 Benner and Pastor, p.5.

18 To see how an early iteration of these factors and indicators plays out in the metropolitan U.S., see the work at Brookings Institution by Berube and Irons that found, among other things, that the most and least inclusive metro areas are both geographically and economically diverse, and that more equitable metropolitan economies exhibit higher levels of participation and stability. Alan Berube and John Irons. “Measuring ‘Inclusive Economies’ in Metropolitan America.” Accessed on June 20, 2017 at <https://www.brookings.edu/blog/the-avenue/2016/05/12/measuring-inclusive-economies-in-metropolitan-america/>

19 See their “About” page, accessed on June 30, 2017, at <https://www.bsr.org/en/about>.

20 See their site at <https://www.bsr.org/en/expertise/inclusive-economy>. Accessed on June 30, 2017.

21 Berube, Alan and Joseph Parilla. “Achieving Inclusive Growth in Cities.” Brookings Institution. July 5, 2016. Accessed July 18, 2017 at <https://www.brookings.edu/blog/the-avenue/2016/07/05/achieving-inclusive-growth-in-cities/>

22 Voorhis, Jerry. *American Cooperatives*. 1961. Harper & Bros. New York.

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primarily by setting up the conditions wherein people are empowered in their business.

For those involved in the cooperative movement, the inclusive economy characteristics are familiar. Many of the same ideas are found in the cooperative values and principles, but not at the macro economic level; rather, the cooperative movement integrates these values and principals into a particular type of business organization.²³ Cooperatives have always been concerned about how people interact with the economy and, in particular, how they own, control and benefit from the businesses that provide them access to critical markets and services. Further, as people-centered businesses, cooperatives have been at the forefront of efforts to use the business model to address critical societal issues such as empowering disenfranchised racial groups²⁴ or ensuring people have access to essential infrastructure.

In her book *Collective Courage: A History of African American Cooperative Economic Thought and Practice*, Dr. Jessica Gordon Nembhard chronicles the use of cooperative principles and the cooperative business model by African American social and economic movements. Dr. Nembhard summarizes the function of cooperatives: “Cooperatives stabilize their communities—increasing economic activity, creating good jobs, increasing benefits and wages, and encouraging civic participation...Cooperatives provide a mechanism for low-resource people with few traditional opportunities to create new economic opportunities for themselves and their co-workers and neighbors.”²⁵

In light of the fact that cooperatives have a long tradition of providing people a strategy to use businesses to build a more inclusive economy, this article begins to consider how cooperatives fit into the five characteristics set out by Benner and Pastor with examples of past and current cooperative activities.

Cooperatives in a More Inclusive Economy



Equitable²⁶

“More opportunities are available to enable upward mobility for more people.

All segments of society, especially the poor or socially disadvantaged groups, are able to take advantage of these opportunities.” – Benner and Pastor

One of the better-known examples of cooperatives in rural America is the creation of electric cooperatives beginning in the early 1930s when merely ten percent of farms had electricity. Aggressive uptake of the cooperative business model paired with substantial support and partnership with the federal government meant that by 1953, 90 percent of farms were connected.²⁷ This infrastructure transformation was not only about families having access to modern household amenities; it was about whether communities could participate in the modern economy. The unavailability of electricity in rural areas kept their economies entirely and exclusively dependent on agriculture. Factories and businesses, of course, preferred to locate in cities where electric power was easily acquired. For many years, power companies ignored the rural areas of the nation. But since the 1950s, the rural economy has diversified, and while rural areas have recently experienced relatively stagnant economies, the decades after rural electrification saw significant closure of income and GDP gaps between rural and urban places.²⁸

In the 1930s, the creation of rural electric cooperatives focused almost exclusively on simply getting access to electricity. Today, member-ownership of their own electric energy companies and distribution means that people have a much greater stake in the quickly evolving dynamics within the electricity complex—whether that means building out renewable energy capacity or establishing programs to help families and

23 “What’s a Co-op?” International Co-operative Alliance. Accessed on July 19, 2017 at <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>.

24 See Jessica Gordon Nembhard, *Collective Courage: A History of African American Cooperative Economic Thought & Practice*. Penn State University Press. University Park, PA. 2014.

25 *Ibid.*

26 Icons throughout article courtesy the Rockefeller Foundation’s “Inclusive Economy Indicators: Framework & Indicator Recommendations”

27 “History: The Story Behind America’s Electric Cooperatives and NRECA.” NRECA. Accessed at <https://www.electric.coop/our-organization/history/> on July 1, 2017.

28 See, e.g., Lewis, Joshua & Edson Severnini. “The Value of Rural Electricity: Evidence from the Rollout of the U.S. Power Grid.” Working Paper. April 2015. Accessed at <http://www.economics.illinois.edu/seminars/documents/Edson.pdf> on July 1, 2017.

businesses use energy more efficiently, or even leveraging the rural electric infrastructure to provide high-speed internet in some of the last places in the U.S. to have access.²⁹ Further, rural electric cooperatives ensure rural households have the market strength to effectively participate in the national and global electricity markets.



Participatory

"People are able to participate fully in economic life and have greater say over their future. People are able to access and participate in markets as workers, consumers, and business owners."

– Benner and Pastor

Participation is in the very DNA of the cooperative business model: co-ops rely on members not only to set the course of the business, but also to play a crucial role in the business (whether as a consumer, producer or worker). This higher level of participation makes it more likely that the priorities and values of the people who use the business are expressed as their business interacts in its community—the result of a truly people-centered business. An ICA Group white paper describes how this dynamic plays out in the worker cooperative context: "When workers and owners are one and the same, the interests of the company and the community become aligned and investment decisions are made to ensure the ongoing viability of the company—including measures around job quality and supporting the local economy."³⁰

With increased participation in the business, worker cooperatives not only yield better outcomes for communities; they also show that when ownership is paired with a meaningful degree of employee participation, performance, productivity and firm longevity are enhanced.³¹ For example, the nation's largest worker cooperative, Bronx-based Cooperative Home Care Associates (CHCA), employs well over 2,000 people in the home health care sector, one that experiences notoriously high turnover rates because of its relatively low pay, erratic work schedule and skimpy benefits. Because CHCA is owned and

controlled by its members, the cooperative has focused on a "retention" culture that prioritizes employee development through extensive training, better benefits and a more predictable work schedule.³² CHCA's average turnover rate is now just 15 percent—far from the industry standard of 60 percent. This significantly higher retention rate translates to better care for the clients.



Growing

"An economy is increasingly producing enough goods and services to enable broad gains in well-being and greater opportunity. Economic systems are transforming for the betterment of all, especially poor and excluded communities."

– Benner and Pastor

The history of the Cooperativa Café Timor (CCT) is one of constant growth and diversification. Known for selling high-quality, ethically sourced organic coffee to the most competitive coffee companies in the world—including Green Mountain and Starbucks—CCT was established in the 1990s with NCBA CLUSA support and funds from the U.S. Agency for International Development. The cooperative has survived a war with Indonesia and a civil war to become the country's largest private-sector employer with more than 22,000 farmer-owners and an additional 4,000 seasonal jobs. In 2000, CCT members decided to reinvest Fairtrade coffee premiums into community health clinics for their rural coffee growing regions. Since then, eight health clinics, three mobile teams and 12 community teams have served more than 2 million Timorese. In 2008, Starbucks funded four more community clinics, making the CCT health system East Timor's largest private health provider.

As CCT expanded into regions where coffee can't grow, the cooperative has explored diversifying into new markets. Because East Timor imports more than 90 percent of its wheat flour, CCT decided to pursue milling flour made from cassava, one of the country's staple crops. With the high prices of imported flour,

29 Ibid. See also Kang, Cecilia. "How to Give Rural America Broadband? Look to the Early 1900s." Aug. 7, 2016. NY Times.

30 "What is a Worker Co-op?" International Co-operative Alliance. April, 2015. Accessed on June 30, 2017 at <http://ica-group.org/wp-content/uploads/2015/04/What-is-a-Worker-Co-op.pdf>. p.3.

31 Ibid. p. 2.

32 "Improving the Home Health Care Model." Medium. Accessed on June 30, 2017 at <https://bthechange.com/improving-the-home-health-care-model-8c6dcd9ebe75>

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CCT can buy cassava tubers at up to double the market rate and still be able to sell cassava flour at half the price of imported wheat flour and make 30-40 percent profit. In addition to cassava, NCBA CLUSA is supporting seedling farmers to grow vanilla, Robusta coffee, cocoa and black pepper. By using the cooperative business model, people in East Timor—including many who were in lower income households—have experienced greater well-being for themselves, their families and their communities.



Sustainable

"Economic and social wealth is sustained, maintaining inter-generational well-being. Inclusive economies preserve or restore nature's ability to produce the ecosystem goods and services that contribute to human well-being."— Benner and Pastor

The behavior of food cooperatives naturally reflects their members' priorities. Food co-ops are grocery stores that are owned by people in the community who buy food from the store. For many food cooperatives, the impact that the store has on the environment is important, so food co-ops as a group have put in place practices to improve energy efficiency, increase the use of renewable energy and reduce their carbon footprint.³³ For example, food co-ops outperform their conventional competitors on Department of Energy rankings of energy efficiency: on a scale of 0 to 100 (with 100 being optimal), food co-ops score 82 while the industry average is merely 50. In a related metric, "[c]o-ops generate 50.6 metric tons of carbon dioxide equivalents per million dollars of sales compared to 73.7 metric tons for grocery stores that furnish data to the Carbon Disclosure Project.³⁴

National Co+op Grocers (NCG), a business services cooperative representing close to 150 food co-ops in the U.S., uses a program called Co+efficient to track its sustainability metrics. To offset greenhouse gas emissions associated with employee air travel and ground transportation—as well as electric utilities used in its main office—NCG partnered with an international environmental organization called PUR

Projet to establish the Co+op Forest—a living forest that offsets its carbon emissions. Since 2013, NCG has planted 4,700 native trees in a previously deforested region of Peru and protected an additional estimated 800,000 trees by conserving 1,600 acres in a highly bio-diverse old growth forest.



Stable

"Individuals, communities, businesses and governments have a sufficient degree of confidence in the future and an increased ability to predict the outcome of their economic decisions... Economic systems are increasingly resilient to shocks and stresses, especially to disruptions with a disproportionate impact on poor or vulnerable communities."— Benner and Pastor

In the wake of the financial crisis of 2008, credit unions—financial cooperatives with a focus on long-term benefits for their members—presented an excellent example of how cooperatives provide for more a resilient and stable economy. In the depth of the Great Recession, despite the fact that they tend to serve lower-income populations, credit unions had much lower levels of failure rates than commercial banks.³⁵ In 2008, the rate of commercial bank failures was almost triple that of credit unions (0.60 percent to 0.23 percent), and that increased to almost five times the credit union rate by 2010 (1.86 percent to 0.40 percent).³⁶ These lower failure rates provided greater stability for credit union members and their families while significantly decreasing the burden on the taxpayers through a government agency to absorb the losses of failed commercial banks.

A proven business model

As people look for strategies to create a more inclusive economy, they should consider one of the most important relationships that people have in the economy: the businesses where they work, purchase supplies, sell products or obtain services. The cooperative business model empowers people to own, control and benefit from these businesses. This proven model provides one of the most

33 "Healthy Foods, Healthy Communities: measuring the Social and Economic Impact of Co-ops." Stronger Together Cooperative. 2012. Accessed on June 30, 2017 at http://strongertogether.coop/sites/default/files/wp-content/uploads/2013/07/Healthy_Foods_Healthy_Communities_6.pdf

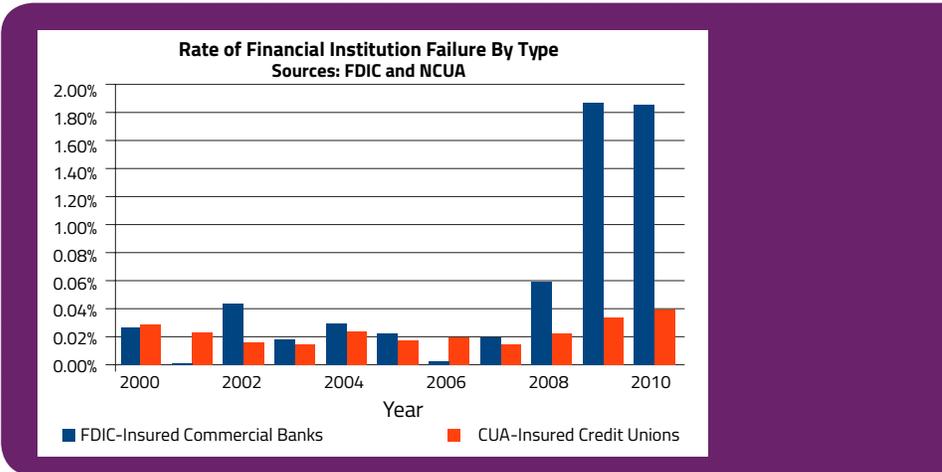
34 *Ibid.* p.15

35 See, e.g., Gold, Jason. "Don't Make Credit Unions Die for Banks' Sins." U.S. News. Sept. 17, 2013. Accessed at <https://www.usnews.com/opinion/blogs/economic-intelligence/2013/09/17/five-years-after-the-financial-crisis-credit-unions-deserve-tax-free-status> on July 1, 2017.

36 *Ibid.*

direct ways for people to help shape their local and national economy. Because cooperatives are people-centered, their outcomes tend to go beyond only the financial bottom line to consider how the business can provide critical goods and services that the members of the cooperative could not obtain individually in a way that reflects the members' values.

As the early precursors to the inclusive economy movement, cooperatives have for generations empowered people to advance both economic and social goals. Meanwhile, researchers, practitioners and policymakers have developed and are beginning to implement policy frameworks that would build a more inclusive economy. Much potential exists if these two movements—the long-standing and proven cooperative movement, and the more nascent and highly relevant inclusive economy movement—combine their efforts. Together, they can contribute a complementary set of experiences and assets toward achieving a common goal: empowering people within the economy to obtain the outcomes they seek, both for themselves and for society. 



Doug O'Brien is Executive Vice President of Programs for NCBA CLUSA, where he works with the cooperative community to deepen its impact on the economy. Before joining NCBA CLUSA, O'Brien led the White House Rural Council and served in top positions at the U.S. Department of Agriculture Rural Development, the federal agency that leads community economic development strategy and financing in the U.S. O'Brien would like to thank his NCBA CLUSA colleague Gregory Irving for his generous contributions of both research and editing of this article.

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Statement on Diversity, Inclusion & Democracy

For over 170 years, the Co-operative Movement has stood for ideals of democracy, empowerment and inclusion — ideals that are at the heart of America’s journey as a nation, and that we continue to strive toward today. From our beginnings, co-ops have celebrated human diversity and worked to bring people together to meet our needs and achieve our aspirations. In short, we believe that we are better when we are welcoming, when we lift one another up, and when we work together to make life better for everyone.

In keeping with the Principles of the International Co-operative Alliance, our food co-ops work to ensure that our doors are open to all persons, “without gender, social, racial, political or religious discrimination.” As community-owned enterprises, we value respectful dialog, debate, and participation as expressions of economic democracy. As organizations of people who depend on a healthy planet to survive and thrive, we are committed to the development of policies and strategies that will sustain our communities over time.

Today, we are witnessing levels of political, social, and economic division that we believe do not reflect our ideals as a nation. While we honor differences of opinion, we are concerned that actions made by the current administration are fundamentally at odds with American Principles of democracy, diversity and inclusion, as well as the Co-operative Values of equality, solidarity, and caring for others. Specifically, we are seeing initiatives that we believe undermine human rights, immigration policies that exclude people based on their origins and religious beliefs, and initiatives that undercut efforts to slow climate change.

In this context, we reaffirm our commitment to being not just welcoming businesses, but empowering community enterprises. We seek to be positive resources and influences, presenting opportunities for constructive dialogs and collective actions for change. And we will explore ways that we can reach beyond our walls, advocating for policies that will contribute to democracy and equality, advance human rights, and support environmental sustainability.

As a federation of community-owned food co-ops, we seek to empower people to enjoy healthier lives, build stronger local communities, and provide good jobs. We advocate for a deeper sense of corporate social responsibility that includes democratic ownership, the full expression of human diversity and the needs of future generations. In taking this stand, we acknowledge that we can always do better and must challenge ourselves to live up to our Values and Principles. By working together, we believe that we can help build stronger communities, a more inclusive nation, and a better world for everyone.

**The Board of Directors & Staff of the Neighboring Food Co-op Association
February 2017**



Neighboring Food Co-op Association
PO Box 93, Shelburne Falls, MA 01370
E-mail: info@nfca.coop // Web: www.nfca.coop
Facebook: /Neighboring // Twitter: @NeighborCoops

