
NW Cooperative Development Center

Growing Green Enterprise Workshop

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Presentation Overview

The role of co-ops in local green economic development

1. Introduction; the Center
2. Co-ops 101 & Benefits of Cooperation
3. Why Ownership Matters
4. Brief Case Studies
5. Co-ops in economic development
6. Co-ops in renewables
7. Co-ops in natural resources
8. Q&A



NW Co-op Development Center

The Center

a 501(c)3 nonprofit which provides development services for new and existing co-ops

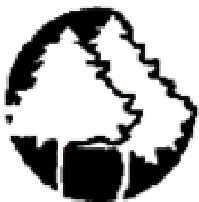
Our mission

to foster community economic development through the cooperative business model

We're

a team of co-op developers with skills specific to start-up and organizational business development

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Co-op 101

A co-op is any corporation, that's member:

- ❑ Owned
- ❑ Benefited
- ❑ Controlled

NCBA.coop... National Cooperative Business Association

*Top 100 co-ops' 2007 revenues = **\$150 Billion!***

- ❑ Ag & Grocery
- ❑ Energy/Communications
- ❑ Finance
- ❑ Hardware/Lumber



Ownership



Member-Owners can be:

- ❑ Consumers
- ❑ Producers/Farmers
- ❑ Workers
- ❑ Other Businesses



Why Cooperate?



Co-ops are a proven strategy to access economic resources which may not be individually achievable

Marketable Co-op Benefits; “Goodwill”

- Local = accountable
- Trusted
- Social and economic *bottom lines*



Project Lifecycle

Co-op Development Stages

- **Identify a need a co-op could meet**
- Form Steering Committee
- Research Feasibility
- Review Findings (Go/No Go)
- Membership Drive
- Planning and Financing
- Begin Operations (Go/No Go)

How the Center Can Help

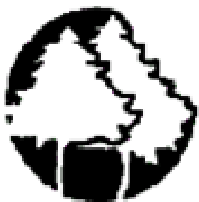
- Facilitate identifying mission and goals
- Train founding Board members
- Market and feasibility research
- Assist with organizing
- Professional, 3rd party perspective
- General business consulting



Local Economic Development

Mountain Community Co-op - Eatonville, WA

- Why?
 - Access to natural food
 - Tacoma was farther and farther away
- What?
 - 270 members in town of 2,000 people/700 households
 - >22 local products on shelves!



Recent Start-up Projects w/ Center



Cascading Threads Quilting Boutique; Klamath Basin, South-Central OR

- ❑ Artisan marketing co-op
- ❑ Rural hobbyists turn passion into a business

Okanogan Ag Producers

- ❑ 6 family-owned fruit and veg' farms
- ❑ Transport produce



Circle of Life Home Care; Bellingham, WA

- ❑ Worker co-op replicating successful MW model



Co-ops in Renewable Energy



Biodiesel

- ❑ Production/marketing; Pendleton Grain Growers
- ❑ Joint-ventures
 - Inland Empire Oilseeds, LLC (Odessa Union Warehouse Co-op, Reardon Grain Growers, Reardon Seed Company)
- ❑ Consumer-owned
 - GoBiodiesel or Bend Biofuels Co-op
- ❑ On-farm consumption/co-op production



Co-ops in Renewables; the Horizon

Woody Biomass and/or cellulosic EtOH

- ❑ Aggregate producers for biorefinery
 - Grass seed, wheat straw, etc.
 - Non-industrial private forests



Anaerobic Digestion (manure)

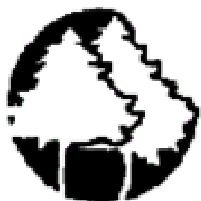
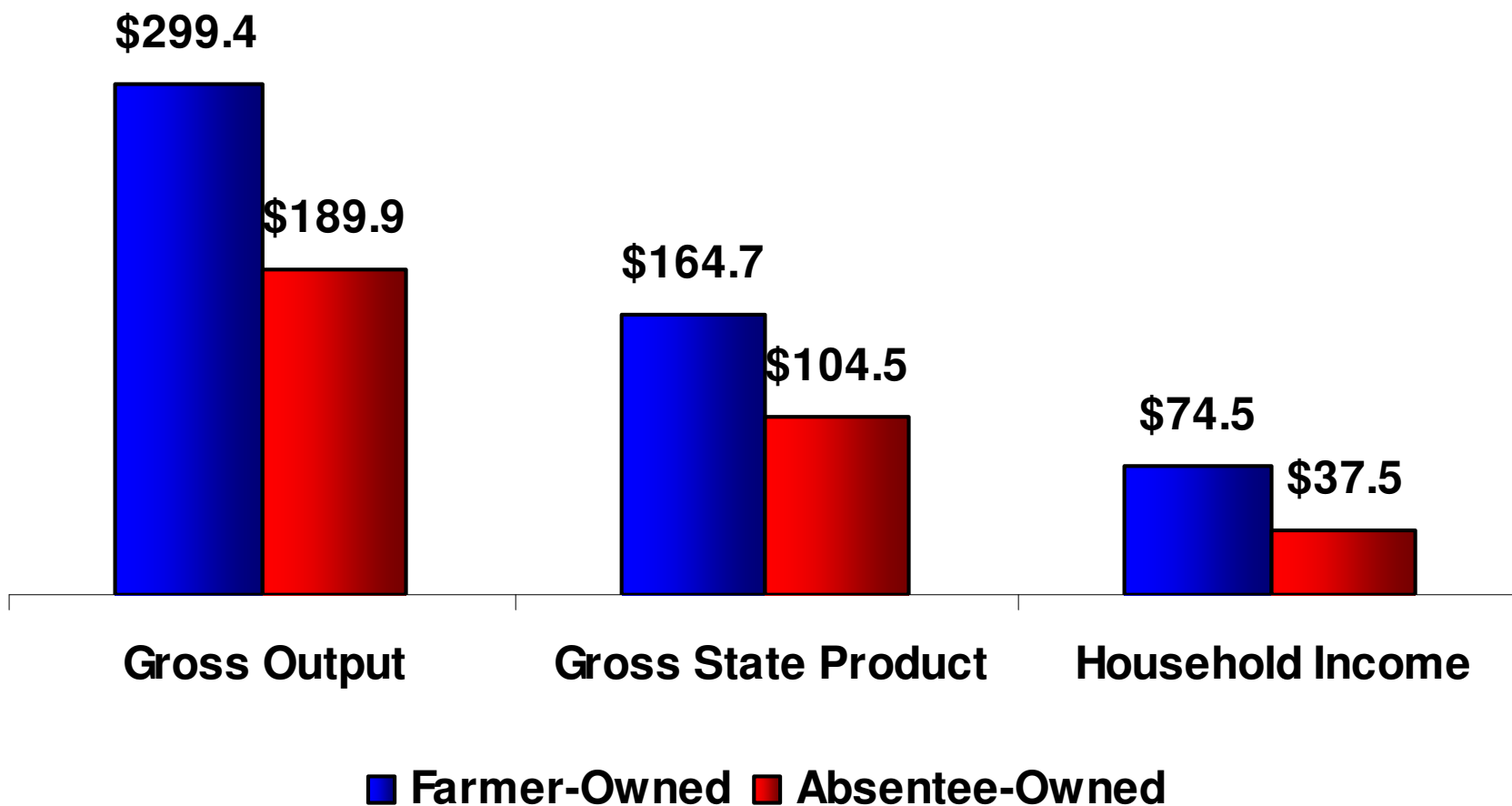
- ❑ Harnessing decomposition
- ❑ Increasing power costs = feasible

Aggregate Attributes

- ❑ Green tags; Our Wind Co-op
- ❑ Carbon credits; DSA



Local Spending and Economic Impact in Millions per one 50MMgpy ethanol plant



Source: Urbanchuk, John. *Economic Impacts on the Farm Community of Cooperative Ownership of Ethanol Production*. September, 2006

Why the Differential?

- 56% greater impact
- Local sourcing of
 - General services & accounting = \$1.5MM more
 - Debt interest = \$2.4MM more
 - Some supply inputs
- Farmer dividends; profit distribution spent locally





...we've been waiting all our lives for a way to increase the value of our ag commodities. I'd hate to turn loose this opportunity to leave something for the kids...

- Marvin Oerke, 66, MME Board



They are out of their minds...

- Peter C. Fusaro, Energy Hedge Fund Center



"As Investors Covet Ethanol Plant, Farmers Resist." NY Times. Nov. 2 2006

Co-ops in Natural Resources

Oregon Woodland Co-op

- ❑ Access to *preferred providers*
- ❑ Soon hiring marketing Coordinator
- ❑ Rental/purchase equipment
- ❑ Facilitate generational transfers



Methow Forest Owners Co-op

- ❑ Management plans, fuels reduction

Non-timber forest products

- ❑ Stevens Co. project underway



In Conclusion

Co-ops are a proven tool to

- ❑ Economically cluster owners
- ❑ Empower marginalized people
- ❑ Create assets, wealth and jobs
- ❑ Re-invigorate local economies
- ❑ Keep control local
- ❑ Balance multiple bottom lines



Thank You!

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*Fostering community economic development through the
cooperative business model*

