A cooperative is a business that is owned and operated by those who use the co-op’s goods and services.

The RMFU Cooperative Development Center is an innovative and accessible resource from which individuals and communities can draw for ideas and support to develop cooperative solutions to economic and social challenges.
September 2017

Greetings from the Rocky Mountain Farmers Union (RMFU) Cooperative Development Center which is based in Denver and supports cooperative and like-minded projects in Colorado, New Mexico, and Wyoming.

In these pages is an overview of Center projects and other information, all related to the work we do under our Rural Cooperative Development Grant (RCDG) program funded by the United States Department of Agriculture (USDA).

Our Center was founded in 1996; since then we have been awarded an RCDG every year. We have also recently received from the USDA a two-year value chain coordination grant and are funded as well by generous grants from the Gates Family Foundation and the Rocky Mountain Farmers Union Foundation, among other funders. Speaking of the RMFU Foundation, our Center is a program of the Foundation and of the broader Rocky Mountain Farmers Union, which for more than 100 years has been a member-driven, progressive, and grassroots organization. RMFU advocates for the interests of family farmers and ranchers and their communities, and for economic and social justice throughout a three-state territory. RMFU in turn is a subdivision of National Farmers Union, which promotes these worthy causes nationally and internationally.

The Co-op Center supports cooperative businesses during and after start-up with brainstorming and information sharing, feasibility studies and business plans, capitalization, board and staff training, fiscal sponsorships, and other services.

Cooperative enterprises are special, they value working together, supporting each other, and serving their communities. It’s a business model whose integrity, transparency, and equity are needed now as much as ever.

Our Mission

The RMFU Cooperative Development Center aims to build a more just, healthy, thriving, and inclusive economy through cooperative enterprises in Colorado, New Mexico, and Wyoming.
A co-op is a business that

<table>
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<tr>
<th>Values-Based</th>
<th>Profit is necessary to survive and prosper yet other things - such as transparency, opportunity, and inclusiveness - are equally valued.</th>
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<tr>
<td>Benefits-Members</td>
<td>Operates for the benefit of its user-members to meet a common need.</td>
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<tr>
<td>Member Owned</td>
<td>Owned by its user-members—each user-member shares equitably in profits based on his or her use of the goods or services produced by the co-op.</td>
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<tr>
<td>Democratically Controlled</td>
<td>Each user-member has a voice and vote.</td>
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Types of cooperatives we deal with through RCDG

<table>
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<tr>
<th>Producer</th>
<th>owned and governed by farmers and ranchers who come together to process, market, and distribute their products through the co-op</th>
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<tr>
<td>Consumer</td>
<td>owned and governed by those who buy goods or services from the co-op</td>
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<tr>
<td>Worker</td>
<td>owned and governed by those employed by or working for the co-op</td>
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<tr>
<td>Sharing</td>
<td>owned and governed by a group of individuals or businesses that have a common need for equipment or services such as marketing or back-office support</td>
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More than one of these types can be combined in a single co-op called a multi-stakeholder cooperative. To learn more visit AMFU.org.
Voluntary & Open Membership
Cooperatives are voluntary organizations, open to all people able to use their services and qualified for membership, without gender, social, racial, political, religious, or other protected class discrimination.

Democratic Member Control
Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.

Members’ Economic Participation
Cooperative members contribute to, and democratically control, the capital of the co-op. This benefits members in proportion to the business they conduct with the co-op rather than on the capital invested.

Autonomy & Independence
Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done based on terms that ensure democratic control by the members and maintains the co-op’s autonomy.

Education, Training & Information
Cooperatives provide education and training for their members, officers, managers, and employees so they can contribute effectively to the development of their co-op. Members also inform the general public about the nature and benefits of co-ops.

Cooperation Among Cooperatives
Cooperatives serve their members most effectively and strengthen the co-op movement by working together through local, regional, national, and international structures.

Concern for the Community
While focusing on member needs, cooperatives also work for the sustainable development of their communities.
Cooperatives are often the most viable business format for our clients, which include small to mid-scale and/or resource-limited family farmers and ranchers and other rural entrepreneurs, many of whom reside in especially remote areas. For over 20 years, the RMFU Cooperative Development Center has helped rural cooperatives and other entities achieve better economies of scale, create and retain jobs, and build wealth for rural residents and their communities.

Our focus on cooperatives is deeply rooted in the Farmers Union philosophy. We believe cooperatives are often the best, fairest, and most flexible, democratic, and time-tested model to:

1. Establish and strengthen rural producer-based businesses and local food systems
2. Reinvigorate rural communities

Our RMFU Center’s roles

- Facilitating planning process.
- Assisting with feasibility studies and business plan development.
- Organizational development and member capacity building.
- Fundraising.
- Legal assistance.
- Ongoing support following start-up.
- Connections to sharing community of co-ops.
Our Center’s client co-ops and other organizations

raised $84 million in capital
created or saved 770 jobs

Our Center’s Impacts through RCDGs

Jobs Saved & Created as a result of assistance

Businesses, Co-ops & Groups Assisted as a result of assistance

Businesses & Co-ops Incorporated
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<tr>
<th><strong>Sample RCDG Project Snapshots</strong></th>
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<tbody>
<tr>
<td><strong>Mountain States Lamb</strong></td>
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<tr>
<td><strong>Southwest Farm Fresh</strong></td>
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<tr>
<td><strong>High Plains Food</strong></td>
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<tr>
<td><strong>Arkansas Valley Organic Growers</strong></td>
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<td><strong>Rural Colorado Apparel Manufacturing Network</strong></td>
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<td><strong>Poudre Valley Community Farm/ Rio Grande Farm Incubator Co-op</strong></td>
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<tr>
<td><strong>Anton Chico Ranchers Meat Processing Plant Project</strong></td>
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<td><strong>Veterans Farms Cooperative</strong></td>
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In 2013, a group of producers and consumers, nonprofits, and producer/consumer cooperatives in Colorado, Kansas, New Mexico, and Wyoming came together to meet the challenges small producers face in accessing larger markets, including wholesale and institutional markets and restaurants. For many producers, developing these markets is literally a question of their long-term survival.

The solution they developed was to leverage the strength of the planned, emerging, and existing food hubs in the region to form a finely-tuned network that could finally resolve distribution inefficiencies and product variety limitations. These 16 partners brainstormed on how to craft the network, which proved sufficiently complicated that they agreed the best way to proceed was to start small.

In 2016, a trading network of four farmer-owned food hubs plus a distribution company emerged from the larger group to tackle these issues.

Supported with funding from the Gates Family Foundation and the FUSA Insurance Agency through the Rocky Mountain Farmers Union Foundation, the food hubs — Arkansas Valley Organic Growers, High Plains Food Co-op, Southwest Farm Fresh Co-op, and (San Luis) Valley Roots Food Hub — along with distribution partner Peak to Plains Alliance formed the Tap Root Cooperative.

The co-op produces and distributes a wide variety of mostly Colorado-grown, fairly priced fresh, organic, conventional, and non-GMO (genetically modified) agricultural products. By trading with each other in a uniquely organized and efficient way, Tap Root’s food hub members have extended their market reach from across southern Colorado and the High Plains to Metro Denver and other Front Range locations.

Tap Root recently hired a marketing coordinator for Metro Denver, which should lead to significant new markets for the partner hubs. The founding hubs plan to jointly market products under the “Tap Root Cooperative” unified brand.

Our Co-op Center believes this cooperative of farmer-owned food hubs is the first of its kind nationally. We have been sharing information about the co-op with other organizations and food hubs interested in embracing similar business structures and strategies.

More retailers and food service companies are finding that food hubs can help them deliver the real thing: food from nearby with verifiable people, places, and practices behind it.
The community of Española, New Mexico has a population of just over 10,000, with a poverty rate of 20.8%. Eighty-seven percent of the population is Hispanic. Though Española is flanked by rich agricultural land and many small farms, the community was targeted in the late 1990s as one of the least healthy communities, and had one of the highest crime rates per capita in the nation in the 1980s.

With those challenges as background, a small yet determined group of individuals who lived in and around Española decided that they wanted to work together to better access healthy and fresh local foods at reasonable prices. This came on the tail of a series of concerted efforts by the city to improve the status of the community and the region, and create a new perception.

Working closely with the RMFU Cooperative Development Center, this dedicated and evolving community group began the process of forming a cooperative. They went through several iterations, including seeking to collaborate with the neighboring community of Los Alamos, which had an almost opposite demographic (one of the wealthiest communities in the nation, per capita), but with which there were connections through employment opportunities and other economic factors.

The group overcame many challenges, not the least of which were the death of their co-op president after a brief illness, finding an appropriate and affordable store front from which to operate (they went through two such locations in three years), and staffing first a monthly distribution program and then a retail store, depending only on volunteers at first.

Still, the interest and support from the community were strong enough to endure board turnover, periods of stagnation, and limited resources. With the assistance of our Co-op Center and help from the La Montañita Cooperative (following Cooperative Principles no. 5 – education and outreach, and no. 6 – cooperation among cooperatives), the Española Co-op was incorporated in 2009, and moved into their current location in 2012.

Today Española Community Market Co-op is centrally located in the community and has regular hours of operation. The co-op continues to be staffed by volunteers who receive shopping credits and discounts for their service. The co-op offers benefits to the community beyond access to healthy foods and fresh food produced by local farmers. One such benefit is a discounted membership to the local hospital’s gym.
Started in 2010 as a pilot project in southeast Wyoming, WyoFresh hit its stride as an online food co-op in 2012. The co-op enables producers to bring farm-fresh products raised or made in Wyoming to families throughout its vast marketing territory of 11,345 square miles – no easy feat given the distances and limited growing opportunities involved.

And if its vast territory of today is not enough, WyoFresh is now working on expanding into central Wyoming.

This type of online market provides producers with significantly more markets without added travel expense. It also gives consumers the chance to purchase more locally produced foods, which can be challenging in a state with a short growing season and a relative absence of fruit and vegetable production.

Consumer pick-up locations are in central and southeast Wyoming, which also serve neighboring areas of western Nebraska, and northern Colorado.

WyoFresh producers are committed to selling quality, locally-made items. Each producer is required to sign a standards agreement that assures member producers may only sell products they have grown or processed. No member can buy from any other source and sell that item through WyoFresh, with the exception of when they are buying ingredients for their own value-added or processed foods being prepared for sale. But the value must be added by the work of the producer. Simply repackaging ingredients from another source is not adding value.

For example, producers can sell tomatoes they grow, but not tomatoes grown by another producer. They can, however, buy tomatoes from another producer to make salsa in a certified kitchen to sell through the co-op.

Another example is that member producers can’t buy an animal from another to butcher and sell through the co-op as though it was their own product. All of this is to assure customers they are shopping with a cooperative business that values the integrity of the origins of its products.

The territory is vast, the markets relatively few and far between, the producers scattered about – yet the WyoFresh online food co-op’s future, while not guaranteed, looks promising thanks to the determination of its member producers to be creative in expanding markets for their own labor and selling the virtues of local.
Walk2Connect worker-owned co-op focuses on walking programs to build body and spirit.
Bill Stevenson, an attorney, has been working full-time as the director of the RMFU Center since 2011, helping such projects as Colorado HealthOP, the Colorado statewide cooperative insurance company formed under the Affordable Care Act, work on its business plan, particularly rural outreach, and develop its cooperative culture and processes – an exciting opportunity to work with state leaders in a top-down development approach for what became in just two years an 85,000-member nonprofit cooperative. Other examples of Bill’s work include overseeing development of a business plan for the sustainability of the Walk2Connect Cooperative, a first-in-the-nation walking cooperative that has a growing presence in rural Colorado; introducing west Metro Denver corner store owners to the possibility of forming a healthy, local foods purchasing cooperative, which the Center viewed as increasing market opportunities for rural producers; serving on the executive committee of the Metro Denver Community Wealth Building Network, which is the first alliance of community organizers and economic developers in the United States to hire a full-time staffer and which Bill has utilized in part to publicize rural cooperative development projects to help bridge the challenging rural-urban gap in Colorado; serving as chair and president of CooperationWorks! during its complicated conversion from a cooperative to a 501(c)(3) nonprofit principally for fundraising purposes and when CW hired its first staff person in many years; and managing the growth of the Center from three full-time staffers to four full-time and two part-time staffers.

Dan Hobbs, a farmer, is the full-time lead cooperative specialist. Dan is highly skilled in working with agricultural cooperatives and other mutually-owned businesses that are in start-up stages, and particularly experienced working with minority, beginning, and resource-limited producers. For the past two years Dan has served as a half-time Value Chain Coordinator under the USDA LINC program for southern Colorado. This has prominently included establishment of a food hub trading and marketing network known as the Tap Root Cooperative. This work has presented complex cooperative and economic challenges which Dan has been solving one by one with general managers from each of four food hubs. Recently, for example, he led the development of a framework for origin hub marketing territories, cross regional marketing protocols, and hub-to-hub purchasing, as well as a unified multi-hub brand to major urban centers such as Denver and Boulder. Another example of Dan’s cooperative skills is his work in helping to develop multi-stakeholder cooperatives, including the conceptual and organizational framework and financing for the Central Colorado Foodshed Alliance and the Colorado Farm and Art Market. These cooperatives were organized for producer and consumer members, and in the case of the Foodshed Alliance, business members as well.
Susann Mikkelson, a long-time rural activist, is a part-time cooperative development specialist with the Center, serving as the Center’s main liaison in New Mexico, as well as assisting with other RMFU efforts in the state. Susann has expanded the Center’s reach into southern New Mexico, with the incorporation of the Sol y Tierra Growers Cooperative, a small, minority producers’ cooperative. In addition, Susann assisted the New Mexico Apple and Fruit Growers Cooperative in regaining their Good Standing status with the State of New Mexico, facilitating and leading the cooperative through a restructuring and revision of bylaws. She continues to assist them with reorganization and promotion. Susann’s expertise was sought to help the community of Las Vegas, New Mexico seek solutions to the loss of an important meat processing facility that was closing. This has resulted in a cooperative effort among a group of ranchers and farmers to develop a closed value chain operation, including the meat processing facility and ways to meet current market demands and create new markets. She also has helped facilitate a comprehensive planning process for the Los Luceros Historic Ranch in north central New Mexico that was gifted to the state Department of Cultural Affairs with the stipulation that the agricultural land be kept in production and include an agricultural and cultural education center. Susann is working with a group in a remote region of southwestern New Mexico to explore innovative cooperative solutions to solve a huge void in home and facility-based health care services for aging producers and other rural residents.

Scott Zimmerman, a rancher, has worked with our Center since inception providing technical assistance and outreach/education services for projects in Wyoming and northern Colorado on a contract basis. Scott has written feasibility studies on the viability of cooperatives in hay and forage production and biodiesel production and for an online farmers’ market in northwest Colorado. Specific projects Scott has helped develop include the Mountain States Lamb Cooperative (which overcame persistent market consolidation facing lamb producers in the inter mountain West to become one of the largest lamb marketers in the US) and the Triple Crown Commodities Cooperative, dba WyoFresh, an online food and homemade products cooperative in southeastern Wyoming. One recent complex challenge Scott worked to overcome was developing a distribution system with morning producer pickup and afternoon consumer delivery of local products encompassing the 11,000 plus square-mile territory of WyoFresh.

Sandra Baca, administrative and technical assistant, supports the education, communications, and cooperative departments at RMFU. With extensive technical and communication experience she provides the RMFU Center team with such technical support as graphic design, website design and management, and social media marketing.