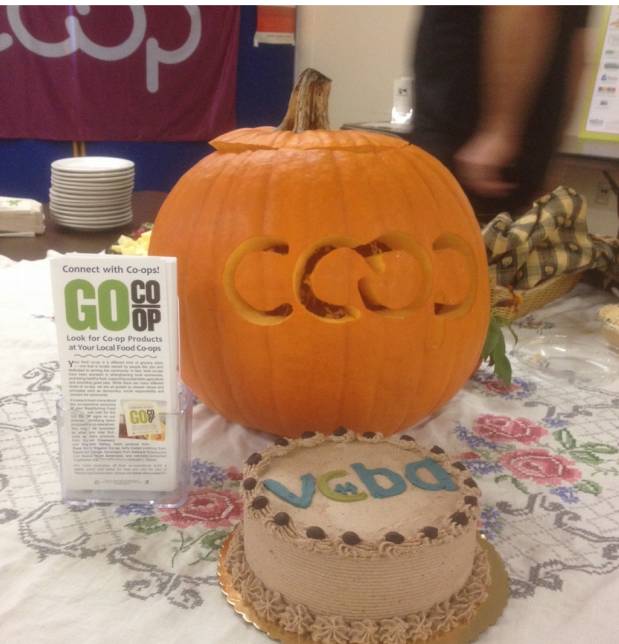


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ECON105: Introduction to Political Economy



## Introduction to the Co-operative Movement



## The Valley Alliance of Worker Co-operatives

Supporting the Success of Worker  
Co-operation in the Valley & Beyond

Annual Report 2015



# Working for a Co-operative Economy

May 2015-05-19

Dear Members and Supporters,

As a Board, we would like to take a moment to summarize our year with the Valley Alliance of Worker Co-ops. We would also like to recognize the milestone this year represents. 10 years ago a group of us met in a co-op house in Hadley, MA as an informal gathering with a general mission in mind. We have come a long, long way since.

This past year saw the election of a board of directors, passing of a budget and renewal of staff employment.

It has been a positive financial year for VAWC. We exceeded our budget estimates and had a retained surplus of 10%. We would like to thank all of our members for their continued commitment to our organization, the dues and VAWC Fund contributions. Despite receiving grant funds for various specific projects, we are still primarily dues driven and entirely member controlled. It is our hope that with our continued growth, both within our ranks and with the successful conversion and start up of new businesses, that we can become ever the more self sustaining.

This past year saw our first loan from the VAWC Loan Fund. Simple Diaper and Linen Co-operative was able to purchase a delivery vehicle with the funds to help with growth of their business. There is still money available to lend and encourage its use.

We have seen the continued support of our members. Brattleboro Holistic Health Center Co-operative and Simple Diaper and Linen both received extra staff support this past year to help with their respective growth as successful worker co-ops. And Staff applied for and received four grants for our Member Co-operatives. We hope to see these benefits continue as we move forward another year.

In addition, over 200 students at UMASS learned about Co-ops thanks to our continued involvement in the Certificate of Co-operative Enterprise program through the UMass Co-operative Enterprise Collaborative. And, our Staff has continued to promote VAWC at regional and national conferences, bringing the VAWC message to all those willing to hear it.

We hope for another year of continued movement forward with healthy members and healthy community supporters.

Respectfully,

VAWC Board of Directors:

Alex Jarrett, President

Anasuya Weil, Treasurer

Randy Zucco, Secretary

Suzette Snow-Cobb, Stakeholder Director

## Introduction to Annual Report

We're excited to report about our past year of activities. We've reached new audiences in our advertising and marketing, more people with our co-created classes, improved our internal educational programming, presented at more conferences and took on new research to support our Member Co-ops. Probably our most important trend is that the growth of VAWC services and support is part of each of our Member Co-operatives growing in the past 12 months.

Congratulations to Member Co-ops, Co-op Representatives and the Board for these accomplishments! Back by popular demand, here's VAWC by numbers:

**7,600,000+** The number of dollars Member Co-ops earned together in 2014

**38,000+** The number of dollars in charitable contributions from VAWC Member Co-ops to the community in 2013

**18,000+** Number of members of other co-ops that see our advertisements featuring VAWC Member Co-ops in our **Working For a Co-operative Economy** campaign.

**14,000** Total number of dollars in VAWC's Interco-operative Loan Fund

**400+** Number of workshop or class attendees in VAWC Staff presentations about VAWC Member Co-ops, their activities, our affiliates and more.

**230+** Number of undergrad students who were enrolled in classes last year focused on co-ops through the UMass Co-operative Enterprise Collaborative which VAWC co-founded in 2009

**70** Number of worker-members in VAWC Co-ops

**14** Number of workshops led/co-led by VAWC this year

**12** Number of radio shows or articles featuring VAWC this year

**7** Number of VAWC Member Co-operatives

**6** Number of conversions VAWC has supported since 2009



## Report of Activities May 1, 2014 to April 30, 2015

We'll celebrate our 10<sup>th</sup> anniversary this year in September. Our co-op led and funded support system continues to deliver value in providing increased impact for legislation, education, marketing, development and intercooperation. After six years of formal operation we see it is not only possible but very effective providing augmented programming for shared goals like marketing, financing, member education and provision of technical assistance.

### Marketing and Advertising

*On-going Marketing Activities: Increasing reach and outlets*

Our focus in marketing remains with movement media with some additional local outlets. Our **'Working for a Co-op Economy'** celebrates its sixth year and runs in three food co-op newsletters. 'Working' reaches more people every year - this year about 16K - with the rationale being to draw the attention of co-op members that are already active in co-operatives and direct it to our entire system.

**'Working'** achieves multiple goals:

- VAWC is picking the 'low-hanging fruit' of people who understand the value of co-ops in their own lives and applies it to us;
- 'Working' features individual Member Co-ops and draws attention to the full palette of services available so customers of one co-op are introduced to other; and
- we're building relationships with our area's food co-ops in supporting their newsletters and spreading the word across co-op sectors about VAWC and our Member Co-ops.

Additional advertisements were also placed in the US Federation of Worker Co-operatives newsletter increasing our reach and focusing Members with nation wide market appeal.

### Marketing and Cross sector collaboration

Through our participation in the Valley Co-operative Business Association ([www.vcba.coop](http://www.vcba.coop)) we gain access to shared advertising opportunities across sectors. We were also a sponsor of the Neighboring Food Co-op Association's Annual meeting which put our name in front of a hundred staff and Board members of western New England food co-ops.

### Co-ops on the Air!

VAWC was a part of four different radio events in 2014. Our annual Educational Sponsorship of WRSI/The River's Co-op Month radio spots have VAWC on the air twice a day on three stations for the month of October. VAWC was represented on Bill Newman's show in the Co-operative Round Table with other co-ops, also in October. Lastly we were part of two hour long interviews on 'Occupy the Airwaves' on WXOJ, 103.3FM.

### Social Media

We elevated our social media activity on our Facebook and Twitter pages reaching new audiences than we had previously. Posts focus on VAWC as well as VAWC Member Co-op successes, promotions, activities, etc, as well as relationship building across co-operatives of all kinds. We have prominent economists (Rick Wolff), co-op CEOs (Michael Beall of National Co-operative Business Association), dozens of co-ops and even Congressmen follow us or like us and our work.



## CO-OPS BUILD A BETTER WORLD!

October is Co-op Month! Across the Pioneer Valley and around the world, your local co-ops & credit unions help you connect with your community. Co-ops put people before profit, contributing to community development, employment and food security. Stop in at your local co-op or credit union to see what the buzz is all about. Want to know more about co-ops in the Pioneer Valley and what they can do for you? Visit [www.vcba.coop](http://www.vcba.coop).



This year's Co-op Month advertisement had full page ads in the Daily Hampshire Gazette, the Valley Advocate and the Montague Recorder.

# Financial Report

## VAWC Profit & Loss January through December 2014

	<u>Jan - Dec 14</u>
<b>Income</b>	
4000 · Member Dues	9,959.25
4500 · Other Income	241.28
4550 · Book Revenue	95.00
4690 · Other Operating Income	6,117.72
4700 · Development Funding	2,025.87
4777 · Organizational Affl	1,650.00
4800 · Grant Revenue	900.00
<b>Total Income</b>	<u>20,989.12</u>
<b>Expense</b>	
5002 · Outside Contracted Services	900.00
5003 · Staff Contracted Services	11,346.00
5004 · Accounting Expense	775.00
5205 · Telephone & Telecommunicati...	26.59
5503 · Printing and Copying	1,130.16
5505 · Dues & Fees	109.00
5506 · Promotion	2,758.75
5600 · Other Expenses	1,303.42
5688 · Taxes	444.00
5700 · Travel and Meetings	143.20
5701 · Conference, Convention, Meeti...	165.00
5705 · Travel	155.55
66900 · Reconciliation Discrepancies	0.00
<b>Total Expense</b>	<u>19,256.67</u>
<b>Net Income</b>	<u><u>1,732.45</u></u>

### Notes:

Line 5503 - Actual printing costs are @ \$300. The rest are other charges for advertising and promotion.

Line 4690 was additional income from New England Farmers Union for work with conversions.

Line 4700 is income for our Interco-operative Development Fund.

## Cross Sector Collaboration

Since VAWC's inception a rich, diverse co-operative economy was part of our vision and our activities in collaborating with other sectors. We're raising the profile of co-operatives and interco-operating for increased impact of our activities.

### Valley Co-operative Business Association (VCBA)

Since co-founding VCBA ([www.vcba.coop](http://www.vcba.coop)) in 2011 with food co-ops and credit unions we have held events for co-operators to gather and interco-operate; organized shared advertising in print and on the radio; engaged legislators with Proclamations about the benefits of co-operatives in our region; written articles on co-op conversions (featuring many VAWC supported!) and the co-op identity; and brought the co-operative movement of western Massachusetts and southern Vermont to the national level through partnership with the National Co-operative Business Association (NCBA).

Currently we're working on building a 'shared membership' model at VCBA to minimize association fatigue and connect future members of VCBA to NCBA, the US's national cross sector co-op organization, directly through one dues payment.

### Neighboring Food Co-op Association

NFCA continues to be a great partner with us to collaborate on activities together. Also a VCBA co-founder, NFCA works with us to create and deliver co-op focused curriculum at our UMass Co-operative Enterprise Collaborative along with faculty and students. Their Executive Director, Erbin Crowell, teaching the "Introduction to the Co-operative Movement" class once a year that averages over 100 students enrolled.

VAWC attended NFCA's Annual Meeting in March. 100 attendees, 35 food co-ops and start-ups were at center stage interco-operating, supporting each other and highlighting success in facing challenges of our food system building on the advantages of our co-operative model.

### Franklin Community Co-operative (Green Fields and McCusker's Markets)

Part of our commitment to cross sector co-op economy is to support each others' operations and co-operative businesses. Suzette Snow-Cobb, Marketing and Membership Manager at FCC, is a Stakeholder Director on our Board. Suzette brings decades of experience in co-operatives and has a Masters in Co-op and Credit Union Management from St. Mary's University. FCC is a VAWC Organizational Affiliate and provides frequent meeting locations for various VAWC meetings.

## VAWC Organizational Development

A variety of activities have strengthened our co-operative identity, our structure and the awareness of our co-op of co-ops model. VAWC brought in 2015 by going **.coop** for our domain and email extensions. It's exciting to show our co-op structure in our website and communications.

*"VAWC's participation in the development of our Valley Co-operative Business Association (VCBA) has been immensely valuable as we work to promote our shared identity and desires for our individual co-ops. At VCBA's fall social gathering and joint marketing we've seen heavy representation of worker co-ops—very much as a result of VAWC's successful organizing and Adam's attention to relationship building. Congratulations VAWC on 10 years!"*

Suzette Snow-Cobb, President  
Valley Co-operative Business Association



*"So many of the great things happening in our region are thanks to the continuing work of the Valley Alliance of Worker Co-ops and its role as a collaborative partner as we grow a more just, sustainable and co-operative economy, together."*  
Erbin Crowell, Executive Director  
Neighboring Food Co-op Association



**FRANKLIN COMMUNITY CO-OP**  
Green Fields Market ♦ McCusker's Market

*"We appreciate the work you are doing and your commitment to co-operative values!"*

Charles Gould  
Director-General  
International Co-operative Alliance



We have access to the Co-op Marque and other materials from the International Co-operative Alliance and Dot Co-op. Using the Co-op Marque distinguishes our Member Co-ops in the marketplace and to demonstrate what the co-operative model can do not only for a business but for developing businesses.

We're frequently asked about what a secondary co-op looks like and how we function. We created an organizational chart to show how Member Co-ops democratically own and control their own support organization. It's meant to show how Peer-to-Peer support, Staff, Board and the Fund all work together to create our system.

We're also thankful to have a Stakeholder Director on our Board - a person from the wider co-operative community who shares our mission. We are fortunate to have Suzette Snow Cobb of Franklin Community Co-operative (Green Field's and McCusker's Markets) at this seat now and would like to offer a special thanks to her for sharing expertise and the burdens of Board membership.

## Building Co-operative Power released

In 2009 VAWC Membership supported the writing and publishing of a book about regional interco-operation where a focus is secondary co-operation on a regional scale and its benefits. *Building Co-operative Power* introduces the history and concept of worker co-operation and relays past and present stories of worker co-operatives in the Connecticut River Valley of Massachusetts and Vermont. It offers cautionary tales and sagas of personal transformation of current and former co-operators and ends with a regional vision of a more integrated, vibrant co-op economy.

The completion and publishing of BCP is a feat of co-operation and of bringing the stories, methods and vision of Member Co-operatives together to form a rich, diverse voice of worker co-operation. Together we're part of the national dialog about the co-operative movement, what worker co-ops are doing to build it and to participate in their own development and support and a force in bringing economic relations back into the democratic sphere for an economy by and for the people. Congrats to all the co-ops who are featured in BCP and thanks for providing the primary source material for this latest publication from Levellers Press, the publishing wing of Collective Copies. To obtain copies go to [www.levellerspress.com](http://www.levellerspress.com).



BCP's cover with *Collective Copies*, *Co-op 108*, *Pedal People* and *Simple Diaper* depicted.



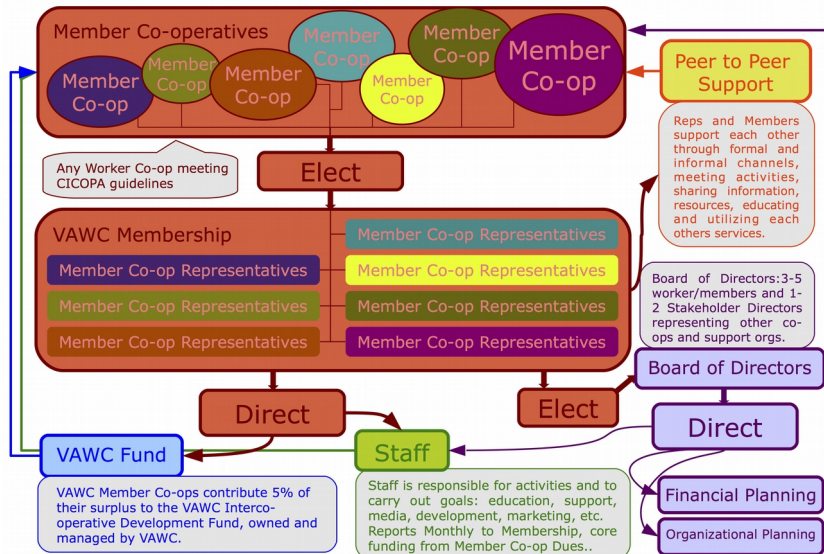
With support from VAWC's IDF *Simple Co-op* purchased a delivery van.

## VAWC Interco-operative Development Fund

Among the most cited and discussed mechanisms of co-op development is that found in the Italy where all co-operatives contribute 3% of their surplus to co-operative development. The funds go to any number of co-op driven organizations – including the well known Legacoop – of co-ops' choosing as required by a law that was written by co-operatives themselves. As a result Italy, and northern Italy's Emilia Romagna region in particular – have among the highest densities of co-operatives in the world.

Financial stability and moving financial resources from pools of surplus to fill pools of need have been goals of VAWC since our first meetings. The launch of the VAWC IDF in 2009 reinforces VAWC Member Co-ops direction of co-op development in our region

## Valley Alliance of Worker Co-operatives



Environmental concern  
financial sustainability  
social purpose

through funds coupled with expertise and support. The IDF is made up of 5% surplus contributions from Member Co-ops and provides an additional capital asset to both our system and our members.

We are fortunate to have the Co-operative Fund of New England (CFNE) serving our region and we use our available funds as a social investment when not loaned out. Nearly all our co-operatives are borrowers, lenders or both at CFNE and we're investors in co-operatives through CFNE and we're financing co-ops as our funds are lent out.



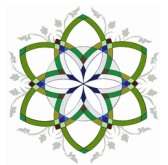
In April of 2014 Loan #1 was made to our Member Co-op Simple Diaper and Linen to purchase a delivery vehicle. Terms were more favorable than other options for used van funds and the IDF itself replenishes with every monthly payment. Thanks to Board financial management and payback by Simple Co-op funds are again available to borrow.

### Member Support and Development

VAWC Staff has worked directly with a number of VAWC Member Co-ops this past year to support growth, fiscal health, surplus distribution, loan packages and building equity. A constant effort on behalf of Staff and VAWC works with VAWC Member Co-ops to acquire new business opportunities, elevate their level of attention in our market and educate consumers in our region and movement about their offerings.

After five years of conversion support claiming so much of the co-opreneur part of VAWC activities we have been able to focus on existing member support in 2014-15:

- Early in 2014 Brattleboro Holistic Health Center Co-op faced shifts in personnel and considered a real estate purchase and more member-track positions. VAWC supported membership in their opportunities through proposals for staff structures and agreements, aided in fiscal planning and attended Member meetings.
- After taking out the first loan of the VAWC Interco-operative Development Fund in 2014 for a used delivery vehicle, Simple Diaper and Linen Co-op faced personnel and growth challenges as well. Staff and Board of VAWC worked with Simple members for hiring support and fiscal planning and co-created their Membership Agreement to orient new members-in-training.





- VAWC Staff assisted in acquiring financial support for three co-operatives in the VAWC system as well as funds for VAWC itself to research and propose new benefits for VAWC Members. Member Co-ops were presented with a menu of benefits and are moving forward with adding benefits for their members or pooling purchasing to access improved services. Thanks to the Co-operative Fund of New England for supporting our work in serving members.



- What do you think?  
Focus on existing Member Co-ops also allowed us to formalize a feedback loop in hearing from you. While Representatives give feedback at monthly meetings the desire to hear from all members resulted in creating the 'Needs and Services Assessment'. It had its first feedback this past winter. Contact us for more information for anyone interested in who we are or co-operatives in general.

## Organizational Affiliates

We'd like to recognize the support and shared mission of our Organizational Affiliates. PT360, Franklin Community Co-op, Data Systems and Real Pickles all chose to support VAWC's work toward our mission of a vibrant and well educated economy where co-operatives meet all needs of our community. Their participation supports our educational programming including the Certificate in Co-operative Enterprise in the UMass Economics Department and our internal educational modules for VAWC Member Co-ops.



## Internal Education: VAWC Owners Manual

Last year we released the *VAWC Owners Manual*. Each Member Co-op got 2 copies that included their own co-op history, policy books, bylaws, Articles of Incorporation as well as regional co-op context, VAWC operations and history. A major feature of international co-op complexes is an education and training platform for new members that is shared and informed by member co-ops and our manual is a major step forward for any new co-op or member. Meant to augment individual member co-op's training, a Manual is a basis to provide a tool for the education, training, and empowerment of co-op members that supports member co-ops as well as supports our common goals as a co-op system.

## Conclusion to Report

The Valley Alliance of Worker Co-operatives (VAWC) is rooted in the ideals of co-operation, mutuality and solidarity. VAWC is itself an expression of co-operative principles — a “co-op of co-ops” that have come together as a means of strengthening the efforts of our individual co-ops to develop their businesses, serve their members, and contribute to the wider co-operative economy.

These words are truer now than ever. Direct support for Member Co-ops, continuing our educational and marketing programming, growing our co-op development and provision of technical assistance, all directed by co-ops themselves, cements our efforts of building a shared system of worker co-operation into a foundation.

Congratulations and thanks to all Member Co-operatives for making this work possible. You and the Representatives you send to VAWC meetings are the foundation of VAWC upon which our corner stones of interco-operation, shared marketing, education, financing, support and development are built.

It is important to remember where we came from, the reasons we all had in our minds and hearts to set out in the direction we did. In conclusion here is a passage from the Pre-Amble from our Member Agreement:

*The Valley Alliance of Worker Co-operatives (VAWC) is rooted in the ideals of co-operation, mutuality and solidarity. VAWC is itself an expression of co-operative principles — a “co-op of co-ops” that have come together as a means of strengthening the efforts of our individual co-ops to develop their businesses, serve their members, and contribute to the wider co-operative economy. Our core goal is to provide ourselves with the resources and support we need to advance our co-operatives, empower our members, and benefit more people in our communities. In joining with VAWC, our co-ops commit to solidarity as expressed by the following provisions of membership.*