



An Introduction to Cooperatives

Una Introducción a las Cooperativas

Worcester Roots Project / Proyecto Raíces de Worcester
Blackstone Valley Local Organizing Council, Co-op Power





What is a Cooperative? ¿Qué es una cooperativa?

A business that is owned and controlled by the people who use it—its member-owners.

Un negocio que es poseido y controlado por l@s que lo usa – sus miembros/propietarios.



Types of Cooperatives

Tipos de Cooperativas

1. Consumer Cooperatives / Cooperativas de consumidores

Example: Childcare, housing, fuel, electricity, telecomm, retail and wholesale grocery, credit unions and co-op banks, clothing and accessories, insurance, etc.

Ejemplos: Cuidado de niños, casas, combustible, electricidad, telecomunicación, uniones de crédito y bancos, seguro, etc.

2. Producer/Marketing Cooperatives /

Cooperativas de Productores/Comercialización

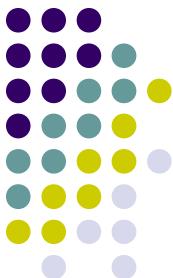
Example: agricultural, ranchers, fisherman, artists, craftsmen co-ops

Ejemplos: agricultural, rancheros, pescadores, artistas, artesanía

3. Worker Cooperatives / Cooperativas de Trabajo

Example: printers, copy shops, groceries, professional firms, health care providers, coffee wholesalers/retailers, restaurants, bakeries and cafes, language translators and interpreters, landscapers, computer and other technicians

Ejemplos: impresores, mercados de comida, firmes profesionales, proveedores de salud, tiendas de café, restaurantes, panaderías, interpretes, mantenimiento de tierra, técnicos de computadores



1. Consumer Cooperatives / Cooperativas de consumidores

Example: rural electricity co-ops

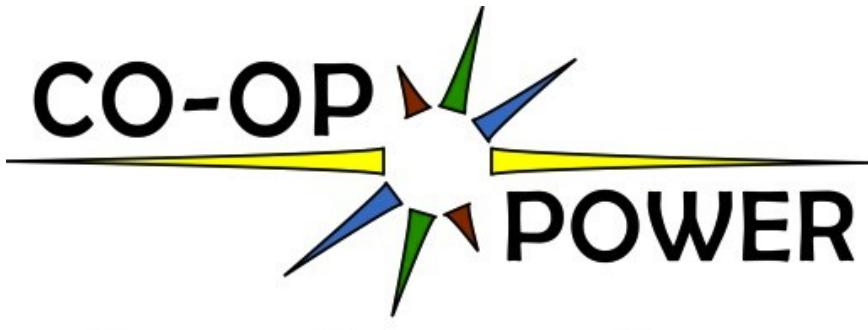
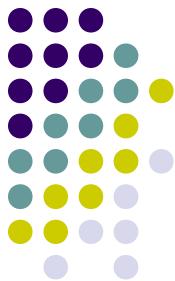
Ejemplos: cooperativas de electricidad rural



- 905 rural electricity co-ops in US
- Serve 42 million people in 47 states
- 18.5 million businesses, homes, schools, churches, farms, irrigation systems, and other establishments in 2,500 of 3,141 counties in the U.S.
- over 12 percent of the nation's meters are customers of rural electric co-ops
- own assets worth \$140 billion
- own and maintain 2.5 million miles, or 42%, of the nation's electric distribution lines, covering three quarters of the nation's landmass
- deliver 11 percent of the total kilowatt-hours sold
- generate nearly 5 percent of the total electricity produced
- employ 70,000 people

1. Consumer Cooperatives / Cooperativas de consumidores

Example: Co-op Power Ejemplo: Co-op Power



BUILDING COMMUNITY-OWNED
SUSTAINABLE ENERGY

- 420 members
- 6 local organizing councils
- 150 jobs created
- Developing Northeast Biodiesel (a 3.5 million gallon/year recycled vegetable oil biodiesel processing plant)



1. Consumer Cooperatives / Cooperativas de consumidores

Example: credit unions

Ejemplos: cooperativas de crédito



150+ members in Massachusetts

150+ miembros en Massachusetts



2. Producer/Marketing Cooperatives / Cooperativas de Productores/Comercialización

Example: agricultural co-ops

Ejemplos: cooperativas de agricultores





3. Worker Cooperatives / Cooperativas de Trabajo

Example: Rainbow Grocery – San Francisco, CA – 240 worker owners

Exaples: Rainbow mercado de comida – San Francisco, CA – 240 trabajadores-socios





3. Hybrid Cooperatives / Cooperativas Híbridos

Example: Rainbow Grocery – San Francisco, CA – 240 worker owners

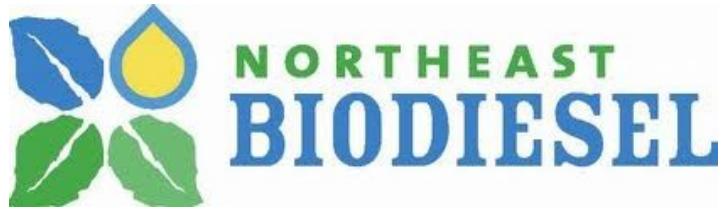
Exaples: Rainbow mercado de comida – San Francisco, CA – 240 trabajadores-socios



Example: Consumer / Producer CHS

CHS, a Fortune 100 company, supplies energy, crop nutrients, grain marketing services, livestock feed, food and food ingredients, along with business solutions including insurance, financial and risk management services. The company operates petroleum refineries/pipelines and manufactures, markets and distributes Cenex® brand refined fuels, lubricants, propane and renewable energy products.

Ejemplo: Consumidor / Productor CHS



Worker / Consumer – Northeast Biodiesel

Exaples: Rainbow mercado de comida – San Francisco, CA – 240 trabajadores-socios

Cooperative Principles / Principios Cooperativos

1. Democratic member control

- One member, one vote or consensus

Control democrático de los miembros

- Un miembro/un voto o consenso

2. Member economic participation

La participación económica de los miembros

3. Autonomy and independence

Autonomía e independencia

4. Education, training, and information

Educación, formación e información

5. Cooperation among cooperatives

Cooperación entre cooperativas

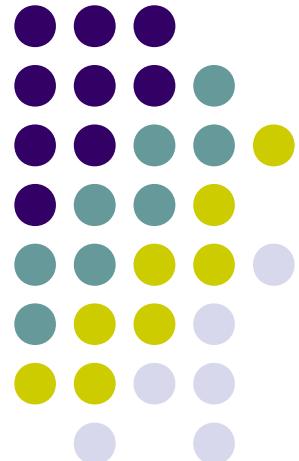
6. Voluntary and open membership

Membresía abierta y voluntaria

7. Concern for community

Compromiso con la comunidad

– adopted by the ICA Centennial Congress 99/96

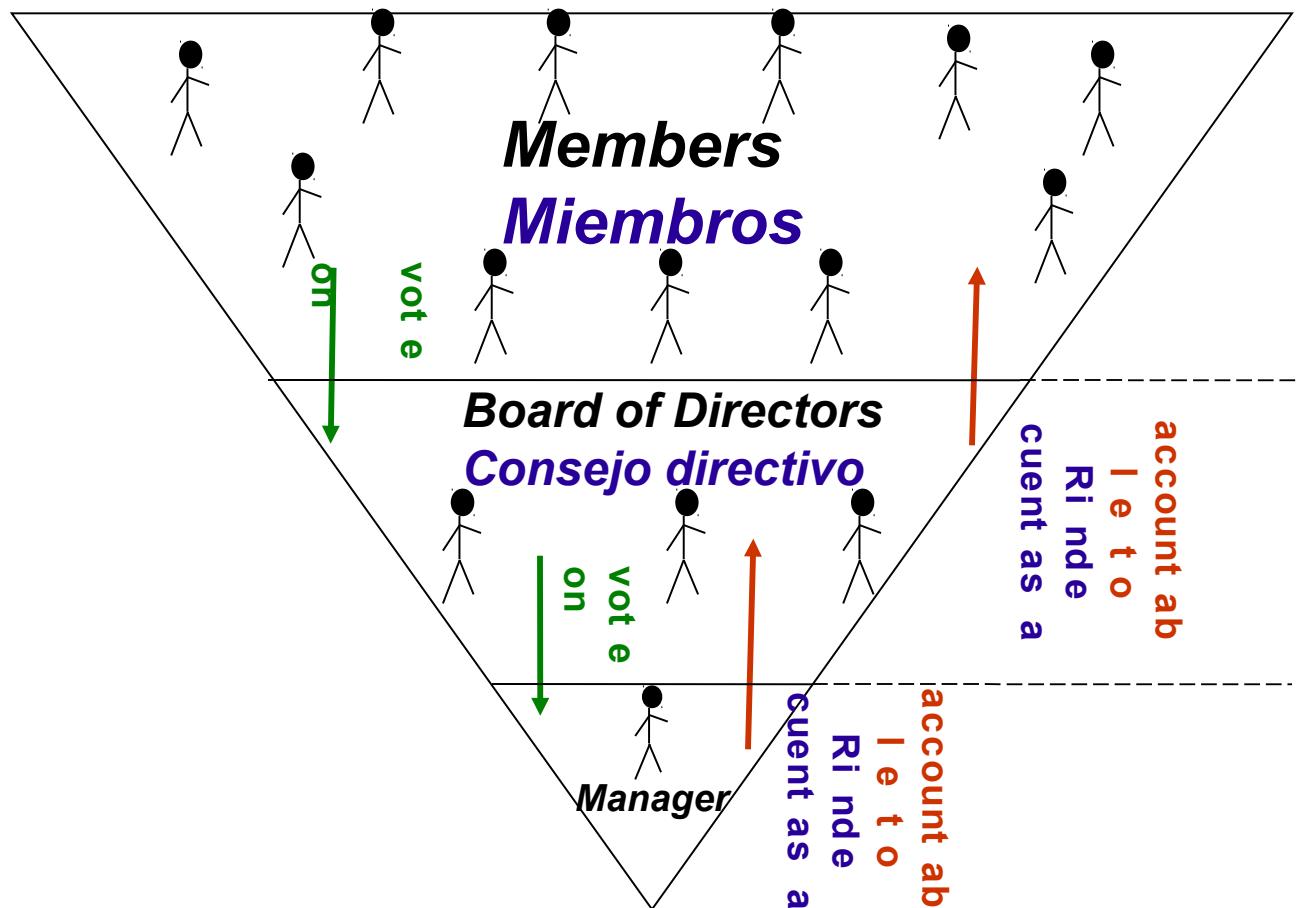


Coop Structure

Estructura Cooperativa

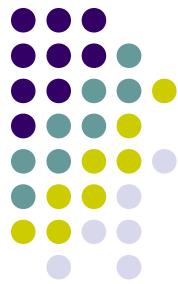


- Collective – all members participate directly in all decisions
- “Upside-down, accountable hierarchy”:



Advantages of Co-operatives

Ventajas de Cooperativas



- They exist to meet their members needs. Focus is on service not investment.
Existen para cumplir con las necesidades de sus miembros con un enfoque en el servicio, no la inversión.
- They are owned and controlled by their members. Increased local control keeps the business in the community .
Controlados y proveidos por sus miembros. Más control local mantiene negocio en la comunidad.
- When profits return to members, money is recirculated in the community.
Cuando el lucro vuelve a su miembros, el dinero re-circula en la comunidad
- Consumers believe co-ops have better products and services at a lower cost.
Consumidores creen que cooperativas tienen productos y servicios mejores con costos más bajos.
- Ultimately tax-deductable, if we are part of Sub Chapter T, taxed only once
Solo paga impuestos 1 vez



Disadvantages of Co-operatives

Desventajas de Cooperativas

- Access to capital / **Acceso al capital**
- Cost of member and public education
Costo de educación de los miembros / del público
- Investment in democratic process
Invertimos en el proceso democrático
- Limit in scope of operations
Operaciones limitadas
- **Co-ops are only as good as their members ask them to be.**
Cooperativas son solamente tan buenas como piden sus miembros.



Starting A Worker Cooperative

Empezando una Cooperativa de Trabajo

Have a good business idea
Tener buena idea de negocio

Identify a need in the community, need a vision
Identifica una necesidad en la comunidad, con una visión

Make sure there is sufficient economic benefit for participants
Estar seguro que hay suficiente beneficio económico para participantes

Write BUSINESS PLAN
Escribir un PLAN DE NEGOCIO



Co-op Academy

Academia de Cooperativas

Sept.-Nov.

10 weeks

in Worcester

We will coordinate
transportation.

\$800 each co-op.

We help you fundraise.

Sept. - Nov
10 semanas
en Worcester

Coordinaremos la
transportación

\$800 cada coop

Ayudamos en la recaudación de
fondos.

CO-OP ACADEMY

MAKE YOUR CO-OP IDEA A SUCCESS

What You Get In the Coop Academy:

- Over 30 hours of training by experienced trainers
- One-on-One coaching with a successful entrepreneur
- Access to a peer-support network beyond the training
- Legal assistance with business incorporation & structuring
- Greater visibility and name recognition for your co-op
- Training and support in fundraising
- Web site development
- Logo design

FALL 2013
WORCESTER, MA

YOUTH CO-OP ACADEMY INTENSIVE SUMMER 2013

Sponsors:

SAGE **Roots Project**

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More information /
Más información:
www.WorcesterRoots.org
www.CoopPower.coop
<http://www.worcestersagealliance.org/>
<http://www.ncba.coop/ncba/about-co-ops/>
<http://www.usworker.coop>

Co-op Exercise / Ejercicio Cooperativo



Income / Ingreso:

Biodiesel sales	\$650,000
Total Income	\$650,000

Expenses / Gastos:

Labor	\$300,000
Rent	\$ 50,000
Materials (feed stock oil, chemicals, etc.)	\$ 50,000
Marketing	\$ 50,000
Vehicle Expenses	\$ 50,000
Other Exp. identified by group	\$ 50,000
Total Expenses	\$550,000
Profit / Lucro:	\$100,000

Scenario A:

Conventional Business Structure

Estructura de negocio convencional

Scenario B:

Worker-Consumer Owned Cooperative

Cooperativa de Trabajadores-Consumidores