

Keystone Development Center Newsletter

Cooperating throughout the Mid-Atlantic

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Dear Friends of the Keystone Development Center,

Happy New Year 2010! The Keystone Development Center (KDC) has made a new year's resolution; we are starting a regular newsletter! Folks at KDC are teaming up to keep friends and supporters informed about co-op news across the Mid-Atlantic states. This is the forum for staying informed about the issues and events that concern our co-ops.

KDC develops co-ops for folks living in Pennsylvania, Maryland, Delaware, and New Jersey. If you have co-op news you would like to share with people across our region, please send an email to Smith@kdc.coop.

Since this is our first newsletter we have made it our mission to reach as many of our friends and supporters as possible. If co-op-oriented newsletters are really not your thing, you can opt off the list simply by clicking the "SafeUnsubscribe" button at the bottom of this page.

Thanks so much for being a friend and supporter of the Keystone Development Center. We look forward to strengthening the visibility of Mid-Atlantic cooperatives in 2010, and to keeping you informed about the issues that concern co-ops in our region.



KDC Board President Retires

The Keystone Development Center recently

acknow

ledged the services of retiring Board President, Jerry Phillips.



[Proclaiming 2012 the International Year of the Cooperative](#)

[Promoting Lending to America's Small Businesses Act, HR 3380](#)

[Senate Bill 2919 Available soon on Thomas](#)

[Pennsylvania Association for Sustainable Agriculture](#)

[Steelworkers Form Collaboration with Mondragon, the World's Largest Worker-Owned Cooperative](#)

Jerry, who lives near Lancaster, served as Vice President of the Board from 2003 to 2007 before becoming President in 2008. In December he retired from his long held position at Mid Atlantic Farm Credit where he had been a loan officer. He chose to also retire from the KDC Board. Directors of KDC will choose his successor at the February 2010 meeting. To honor his service, KDC presented Jerry with a framed print signed by the artist-photographer. Jerry's many years of service helped KDC grow and mature into the recognized entity that it is today.

Jerry grew up on a 36 cow, 96 acre dairy farm in Southern Lancaster County near Corryville. The Phillips family farm was sold to the Amish in 1975 and remains a family farm to this day.

Jerry graduated from Delaware Valley College in 1972 and went on to teach Vocational Agriculture for the next five years, four years at Pequea Valley High School and another year at Lampeter-Strasburgh High School. He sold feed through Agway for a time before finally settling into his career at Mid Atlantic Farm Credit in 1978 where he spent the next 25 and a half years helping farmers obtain access to credit.

KDC caught up with Jerry recently and asked him what he intends to do in his retirement. Jerry mused, "I'm waiting for the good Lord to tell me what's next. He is taking his time about it, perhaps that means it is time for me to take a bit of a rest. For now I am enjoying being a husband, dad and grand-dad to my eight grand-children." He also mentioned there are 350 rose bushes in his yard that will keep him and his wife busy all summer. The Phillips show their roses at the Solanco and West Lampeter Fairs.

Standing out the most in Jerry's memory regarding his tenure on the board of KDC is, "the good fortune to have Kate Smith as our Executive Director. We had gone through an extensive interview process. I knew Kate from the PA Co-op Council and because of the co-op education she taught at Penn State. I was tickled and relieved when she threw her name in the hat."

Keystone Development Center affectionately wishes Jerry all the best in his retirement and in the new chapters unfolding in his life.



2012: Year of the Co-op An Interview with Paul Hazen

Cooperators received word from the National Cooperative Business Association (NCBA) in mid-December that the United Nations passed a resolution proclaiming 2012



the International Year of the Co-op. Naturally we co-op geeks at Keystone Development Center are thrilled. Between Christmas and New Years we called down to NCBA Headquarters in Washington DC to hear first hand from President Paul Hazen about what this proclamation means for co-ops worldwide.

KDC: Paul, cooperators around the world are excited about the new United Nations resolution concerning Cooperatives in Social Development and the proclamation of 2012 as the International Year of the Cooperative. Can you give us some background on the report that led up to this resolution and proclamation?

Paul: Three years ago the ILO (International Labor Organization) made recommendations about the social economy and cooperatives in a document they drafted for the UN. In that document they recommended the UN should raise the profile of co-ops worldwide for a number of reasons. They suggested the UN consider designating a "year of cooperatives" to highlight the economic advantages of the model. So the idea was present in the background of UN processes for number of years.

What was needed to bring the ILO recommendation to the forefront in the UN was endorsement from the cooperative movement. The UN could not act until they knew what kind of support they could get from

cooperatives and cooperative organizations. The ICA board, about a year and a half ago, endorsed the idea and started to gather the support of cooperatives from all parts of the world.

KDC: Paul, you are on the board of the ICA, what part did you and the NCBA play in bringing about this UN resolution?

Paul: Initially, at the ICA board level, there was hesitation to make the recommendation. It is important to respect that people from other cultures are not necessarily as aggressive as we are in the U.S. Some ICA board members worried that if the UN doesn't approve then we [the ICA] would get a black eye. On the board I really pushed the idea as a great way to raise the profile of cooperatives worldwide. To have designation from the UN is a great 3rd party validation. So first I put forward that strategy proposal to get the designation.

After the proposal was approved by the ICA board it had to be sponsored by a UN state. I went to many meetings with State representatives at the United Nations representing the ICA. Since there were so many meetings, I was fortunate in that it is easy to get to New York from Washington.

Mongolia came through as the initial sponsor and that got the process started at the UN. Mongolia started drafting a resolution with a lot of input from ICA. At that point the process was entirely a UN function.

KDC: Who are the other key people or organizations who helped to bring about the resolution?

Paul: Mongolia of course. The resolution has a list of all sponsoring countries. Initially there was a problem in that developing countries are much more interested in co-ops as an economic strategy than are developed countries. So we had to demonstrate to developed nations that this is important. We made a lot of contacts with various governments around the world.

The United States doesn't usually get involved in UN resolutions and proclamations, the State Department usually see such things as inconsequential. But after the lobbying occurred even the U.S. got involved and the developed nations also sponsored the resolution.

One important thing that NCBA did to help things along was to get support from members of Congress. Senator Feingold of Vermont and Senator Carden from Maryland wrote letters in support of the resolution. This helped the State Department to see that this Resolution had support in the Senate and it made a difference in how they viewed it.

KDC: Will NCBA be developing a strategy for leveraging this UN resolution within the U.S. between now and 2012?

Paul: Absolutely. ICA is now working on a global strategy and NCBA will want to be part of that. Also, there will be a global event in New York in 2012. We will also incorporate the elements of the resolution into our normal plans for 2012. NCBA and ICA will try to leverage this opportunity in every way we can. In 2005, the Year of Microfinance received a lot of publicity, so we want to take note of that model.

KDC: Will NCBA be coordinating any activities that cooperatives can become involved in leading up to or during 2012? Any special activities, conferences or celebrations?

Paul: We have not gotten that far in the planning, other than the celebration in New York and the details still to be worked out on the NY celebration. If you go to the UN Resolution online there are recommendations for what UN member states ought to do. NCBA will tee off of that, encouraging co-op development and good co-op laws. There are several things that member states and governments can do.

KDC: Paul, you are famous for promoting co-

ops as the "better business model." Not so long ago this seemed like a pretty strong statement, but recent economic circumstances have shown a resilience of cooperatives worldwide. Where do you see the next horizon in terms of co-op development, what new developments in co-ops would you like for us to be celebrating in 2012?

Paul: When we look back at the period of economic downturn we will be able to see its effect on the co-op movement but we can't tell right now what kinds of cooperatives are getting started. The key thing is that people are looking at the system itself, not thinking about how co-ops can fit into the current system, but rather how we can change the whole economic system. A good example, Mondragon and the United Steel Workers; people are thinking: "How can we organize economy differently?" Of course, it has to be bottom up approach, but what I see out there is encouraging.



KDC Receives RCDG Grant

The Keystone Development Center was recently awarded a Rural Cooperative Development Grant to conduct rural cooperative development activities in 2010. The Rural Cooperative Development Grant, typically referred to as the RCDG, is a competitive grant administered by the USDA for the purpose of creating and maintaining development centers which provide cooperative education and technical assistance to farmers and rural cooperative business owners. The USDA encourages cooperative enterprise as a part of the overall plan to create economic opportunity in rural America.

The Rural Cooperative Development Program of the USDA has been in existence since 1993 and awards grants to roughly 20 nonprofit and university-based centers around the United States each year.

Keystone Development Center is pleased and honored to once again receive this competitively awarded development grant from the USDA.



Countdown to PASA Conference

The 19th Annual Farming for the Future Conference, hosted by the Pennsylvania Association for Sustainable Agriculture, will be held at the Penn State Conference Center in State College PA, February 4-6. This year's conference theme is "The Sustainable Challenge: providing for a Livable Tomorrow."



The Friday Keynote Speaker will be Michael Reynolds of Taos, New Mexico who for over forty years has been designing homes built from natural and recycled materials that heat and cool themselves, generate their own electricity, collect their own water, grow their own food and treat their own sewage. Mr. Reynolds is the author of seven books and is the coordinating force behind three off-grid communities. Currently he travels the world teaching his methods which he calls "Earthship Bioteecture," and has recently built demonstration projects in France, England, Netherlands, Mexico, Jamaica, Japan, Bolivia, Honduras among other countries.

Lisa Hamilton, Saturday's Keynote Speaker, is a San Francisco journalist focused on the stories of farmers and ranchers. Her work documents the struggles and breakthroughs of farmers who have "stepped outside the norm of food production." She is published in *National Geographic Traveler*, *The Nation*, *The Christian Science Monitor*, *Orion* and *New Farm*. Her book, *Deeply Rooted: Unconventional Farmers in the Age of Agribusiness* was published in 2009 by Counterpoint.

One Farming for the Future workshop we hope will be especially helpful to cooperative farmers is, **EXPANDING YOUR MARKETS: SELLING PRODUCE THROUGH a COOPERATIVE**. This workshop will be held on Saturday February 6th at 1:30 with Mark Kodner of Dancing Creek Farm and Jeff Taylor of Tuscarora Organic Growers Cooperative.

Other interesting features of this year's Farming for the Future Conference include eleven day-long pre-conference workshops and a gallery of agricultural photographs by Lisa Hamilton and the PA Chapter of the Sierra Club. There will also be a Farmer's Market Cafe, a PASA Singles Mixer, a Trade Show-MarketPlace and Yoga and Kitting classes. Bring the

whole family because there will be plenty of things for kids including an Infant Care Space, a Babysitting Program for toddlers 18 months through 4 years, a Kids Programs for children in K-5 and a Youth Program for middle schoolers.

There are funding opportunities for farmers to attend the Farming for the Future Conference through the Southeast PA Agriculture Industry Partnership. Applications are first-come first-served and the deadline is January 29th.

Contact Sue Millshaw at 610-458-5700 or smilshaw@cceconomicdevelopment.com.

For more information about PASA workshops and festivities, check out the web site at: <http://www.pasafarming.org/conference2010/>.

See you in State College!

→ USW Teams Up with Mondragon

In mid-October, the United Steel Workers (USW), the largest union in North America with 2 Million members, and the Basque Mondragon Cooperative Corporation (MCC), the largest worker-owned cooperative in the world with 100,000 worker-owners, announced an alliance to create union-owned co-ops throughout North America.



Details are not yet available as to the projects upon which USW and MCC will collaborate, but the USW makes it clear that the shared values of this forward-thinking union and this cutting-edge co-op will decide the direction of their unprecedented partnership.

In a USW press release dated October 27th, Leo Gerard, President of the United Steelworkers explains, "We see today's agreement as an historic first step towards making union co-ops a viable business model that can create good jobs, empower

workers, and support communities in the United States and Canada...Too often we have seen Wall Street hollow out companies by draining their cash and assets and hollowing out communities by shedding jobs and shuttering plants. We need a new business model that invests in workers and invests in communities."

Keystone Development Center congratulates the USW and Mondragon on their forward-thinking agreement. We will keep our Mid-Atlantic cooperators up to date on their groundbreaking collaboration.



Co-op Friendly Bills In House and Senate

U.S. Representative Paul Kanjorski, Democrat-Pennsylvania, chairman of the House Financial Services Subcommittee, and Ed Royce, Republican of Orange County California have introduced legislation into



the House of Representatives which will double the amount of money credit unions will be allowed to lend to small businesses. The bill, HR 3380, the Promoting Lending to Small Business Act of 2009, would raise the small business lending cap on Credit Unions from 12.5% to 25%. Banks are permitted to lend up to 100% of their assets to businesses but often forgo small business lending in favor of better returns in larger markets. Raising the credit union cap, according to Representative Kanjorski, will create up to 108,000 jobs across the country, and will make an additional \$10 Billion in credit available to small businesses in its first year of its enactment.

On December 2nd Kanjorski wrote to Speaker Nancy Pelosi (D-CA) and George Miller (D-CA), chairman of the House Committee on Education and Labor, urging them to include HR3380 in new legislation they are drafting on job creation.

On December 22nd a nearly identical bill surfaced in

the Senate, S 2919, introduced by Senator Mark Udall (D-CO), Senator Charles Schumer (D-NY) and Senator Kirsten Gillibrand (D-NY). This complementary Senate bill is a strong indication that Congress will look favorably upon the measure. HR 3380 is endorsed by the National Small Business Association, the Credit Union National Association and the National Cooperative Business Association. So far the only opposition to raising the credit union lending cap is reported to come from the banking industry.

The Keystone Development Center Newsletter is edited by Lisa Stolarski and published by the Keystone Development Center. The Keystone Development Center, 200 Trinity Road, York, PA 17408. Telephone: 717-792-2163.

Photograph in order of appearance:

Jerry Phillips receiving retirement thanks from Cathy Smith
Paul Hazen, President and CEO of the National Cooperative Business Association
Logo of Pennsylvania Association for Sustainable Agriculture
Stained Glass depiction of Steelworker in USW lobby
Representative Paul Kanjorski, Democrat, 11th Congressional District, Scranton-Wilkes Barre