



COOPERATIVE FUND of New England

Loans Approved and Funded

Definition of a Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.

Visit us on line at at

www.cooperativefund.org

or www.coopfund.coop

to learn about our borrowers; print out our loan application; download our prospectus; and find links to our borrowers, other community development organizations, socially responsible investing sites, and cooperative business assistance sites.

OUR MISSION

CFNE advances community-based, cooperative, and democratically owned or managed enterprises with preference to those that serve low income communities through:

- provision of prompt financial assistance at reasonable rates;
- provision of an investment opportunity that promotes socially responsible enterprise; and
- development of a regional reservoir of business skills with which to assist and advise the above groups.

The start of 2009 has brought significant demand for the services of the Cooperative Fund. We had 15 loan fundings in the first four months of the year totaling \$454,000, with another \$80,000 funded since then. We are making lots of loans and there are many more in the pipeline.

Since April, we have funded 11 loans that total over \$796,000 and there is another \$775,000 approved and awaiting funding.

Loans were made to cooperative businesses and housing co-ops. Loans were made to start up operations as well as long time borrowers providing jobs and housing ownership. All support their local economy.

Loans made include: \$50,000 to **Chatham Real Food Co-op** in Chatham, NY, for start up working capital; \$15,000 to **Evergreen Manufactured Housing Co-op** in Warren, MA, for predevelopment costs associated with the purchase of their property; three loans totaling \$72,733 to **Littleton Food Co-op** in Littleton, NH, for equipment purchases in participation with five local banks; \$8,485 to **Renew Building Materials and Salvage** in Brattleboro, VT, to meet cash flow needs; two loans totaling \$108,415 to **Collective Copies**, a worker cooperative in Amherst, Florence, and Belchertown, MA, for equipment purchases; two loans totaling \$100,000 to **Deep Root**



Littleton Food Co-op grand opening in Littleton, NH

Photo by Glen Ohlund



Evergreen manufactured home cooperative in Warren, MA

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Outreach and Conference News

Conference participation by CFNE outreach and board members has been substantial during early 2009. A few examples follow. Betsy Black and Erbin Crowell attended the Vermont Employee Ownership Center's annual conference in Burlington, VT. Executive Director Rebecca Dunn attended the National Co-op Business Association annual meeting, as did Erbin. Board members Tim Wingate and

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Summer greetings as gardens flourish and start to grow. I can report that the same is true of the Cooperative Fund. We are often asked these days how is CFNE faring in this economy. I can report that we are ready to grow and to continue to serve the cooperatives of New England. Our operations remain self sufficient and we are making good use of our resources. We are looking for investors.

We are ready to lend money. We continue to help borrowers to succeed, and we are being repaid. We are looking for borrowers and opportunities.

We are ready to invest using the Cooperative Capital Fund (CCF). We are ready to provide financial services to cooperatives with not only loans but with resources from CCF, the patient capital and equity fund launched in 2007 and now funded to the point of operation.

We are ready with new "products". We recently developed another financial service for our borrowers which is a vehicle to direct co-op member loans to their cooperatives. The Brattleboro Food Co-op is working with us on a pilot project to help fund their expected store expansion.

We are ready to take in investments that will provide a consistent steady return. Please consider investing in or donating to the Cooperative Fund and Cooperative Capital Fund (CCF).

These are tough times but they are also times of opportunity. We are ready at CFNE and we couldn't do it without you. Visit www.coopfund.coop to read our annual report and stories about our borrowers.

We'll keep you posted on our progress, and please let us know if you have comments or questions. As always, thanks for your continued support!

— REBECCA DUNN

PEOPLE AT CFNE

It is with great pleasure that we announce the hiring of CFNE's second employee. Erbin Crowell has been hired as the Marketing and Co-op Relations Coordinator. He will assist the Executive Director with representing CFNE at conferences, and in expanding the presence of CFNE and CCF in the cooperative community. He has served in the past as a CFNE board member and president, and we are thrilled that he is available to us as an employee. He will also work within our outreach team to identify and assist cooperative borrowers and investors.



Erbin Crowell

Crowell, who recently received his Masters in Management: Cooperatives and Credit Unions from St. Mary's University in Nova Scotia, worked for more than a decade with Equal Exchange, a worker cooperative and pioneer in the marketing of fairly traded coffee, tea, and chocolate. He initiated and for five years served as director of the organization's Interfaith Program, an innovative outreach and educational initiative that has engaged thousands of communities of faith across the U.S. in activism for fair trade and cooperation. More recently, he launched and directed Equal Exchange's Domestic Fair Trade Program, which applies international fair trade principles to domestically grown food.

Since leaving Equal Exchange, Erbin had been working in co-op development and as an independent consultant. He is also adjunct professor at the University of Connecticut where he has been teaching an undergraduate course on the cooperative movement. He serves on the boards of the National Cooperative Business Association and the Domestic Fair Trade Association.

CFNE Awards Assistance to Valley Alliance of Worker Cooperatives

In an effort to continue to integrate CFNE with the co-op community and to assist in the development of more cooperatives, we recently provided financial assistance to Valley Alliance of Worker Cooperatives (VAWC) in Western Massachusetts for technical assistance. In a pilot program to develop the network and its members, we provided matching funds. We were able to use some of the grant funds we received



to promote cooperative development. The project will allow VAWC to engage with member co-ops to better understand their needs and the needs of their members, to begin basic activities with demonstrated impact such as education, marketing, and building cross sector co-op relationships, and to work with member co-ops to outline the responsibilities and funding for a staff position. VAWC has eleven members including some past, present, and future CFNE borrowers. Together these co-ops represent about 65 member cooperators and nearly \$7 million in annual sales. To find out more about VAWC visit: www.valleyworker.org.

BOARD OF TRUSTEES

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If you would like to be added to CFNE's mailing list or would like information about either investing or borrowing from CFNE, please email us at

cfne@cooperativefund.org

CFNE Investors

Green Mountain Spinnery, a worker cooperative in Putney, VT, is our newest cooperative social investor. As a past CFNE borrower, the Spinnery had a positive experience with the Cooperative Fund. When they found themselves with some cash to invest, they decided to assist CFNE. According to worker owner Margaret Atkinson, "The Spinnery has benefited from CFNE over the years and we receive a double bottom line using funds to help other cooperatives while getting a good return."

We continue to look for additional investors in both CFNE and our new Cooperative Capital Fund (CCF). Please consider placing your funds with us. Investors in CFNE earn up to 3%. Investors in CCF earn up to 5%.

CFNE Board

In March the CFNE board attended a two day strategic planning session and its regular board meeting in Putney, VT. In keeping with our group visits to various cooperatives, borrowers, and investors in New England, the Board took time out to tour Green Mountain Spinnery and walk up the hill to Putney Food Co-op to inspect their new store expansion that was funded by CFNE. The March planning session provided the opportunity to discuss board development, role clarification, governance, and structure. As a result an added board meeting each year will include an additional annual strategic planning opportunity.

The June board meeting was held at former CFNE borrower and CCF investor Equal Exchange in West Bridgewater, MA. Policy regarding board member recruitment was updated and new board candidates will continue to represent our stakeholders and allow greater representation from the co-op community.

The next meeting of the Board and annual meeting for CFNE will be on November 9, 2009 in New Hampshire.



CCF board member Jon Crystal during a recent visit to Green Mountain Spinnery

Photo by Don Kreis



COOPERATIVE CAPITAL FUND ... WE ARE READY TO GO!

Yes, we are ready to operate! At this writing we have reached the minimum threshold needed to start operating the Cooperative Capital Fund, thanks to recent pledges of funds from Hunger Mountain Food Co-op and the Mid-Minnesota CDC. However, we are still accepting investments until the end of 2009 and hope for additional cooperatives to buy in before the two year deadline.

In response to co-ops' need for patient capital that fits their principles and values, CFNE established the Cooperative Capital Fund (CCF) in 2007. It was formed to address the lack of access to equity capital that fits the model of member control. Lack of equity is a significant barrier to launching a co-op, sustaining economic growth, or converting to cooperative ownership. Like any other business, cooperatives often need equity capital for predevelopment work, working capital, or a cash-flow cushion. Additional equity also can also help businesses leverage debt from lenders, banks, vendors, or landlords.

CCF's goal is to augment CFNE's current loan services by providing new capitalization options that perform like equity without changing a co-op's member-owned and controlled uniqueness.

Please consider making an investment in the Cooperative Capital Fund. Investors choose from 0% to 5% return. To download a prospectus visit www.coopcapital.coop.

Administrative office address:
5533 Peden Point Rd.
Wilmington, NC 28409

Return Service Requested

www.coopfund.coop

The Cooperative Fund of New England (CFNE) was founded in 1975 by co-op activists and social investors to provide financial and technical assistance to food cooperatives. Since then, the organization has expanded its focus, offering development loans and technical assistance to a wide range of co-ops and nonprofit groups that share CFNE's vision of equality, justice, and social responsibility. A "virtual" organization, CFNE serves the New England region through an administrative office in North Carolina and four outreach offices in New England. CFNE is well rated by CARS™

Outreach and Conference News

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Don Kreis attended the Consumer Co-op Managers Association (CCMA) annual meeting in Pittsburgh, PA as did Erbin and Betsy. On a regular, ongoing basis the Valley Alliance of Worker Co-ops meetings are attended by Mary Hoyer and Erbin, and the Neighboring Food Co-ops Association meetings are attended by Betsy and Erbin.

The East Coast Conference for Workplace Democracy, organized by Mary Hoyer, is coming up July 31st in Pittsburgh. For details about the conference visit www.east.usworker.coop.

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Organic Co-op in Johnson, VT, for seasonal working capital; \$8,951 to **HartBeat Ensemble**, a nonprofit community theater group in Hartford, CT, for cash flow management; \$25,630 to **Fenway Studios**, an artists housing co-op in Boston, MA, in a participation with NCB for emergency building repairs; \$10,000 to **Sun Build**, an engineering cooperative in Boston, MA, for a start up pilot project to install solar energy systems; \$9,000 to **Dollars and Sense**, a nonprofit



collective publisher in Boston, MA, for working capital; and two loans totalling \$130,039 to **Pioneer Valley Photovoltaics (PV2)**, a worker cooperative in Greenfield, MA, to cover installation of photovoltaic energy systems in residences.

The diversity of our borrowers is impressive. For more information about each borrower visit our website www.coopfund.coop and click on borrowers.