

Organic Valley Principle 6 Fund

BY KIM KAFKA

To keep that good Karmic wheel spinning with gratitude, CROPP has established a \$1 million loan fund with longtime partner-in-cooperation Shared Capital Cooperative (formerly Northcountry Cooperative Development Fund: NCDF). The Organic Valley Principle 6 Fund is a lending fund that provides money to support the growth of food cooperatives across the country.

What does the fund have to do with Karma? A cooperative family helped grow CROPP (Organic Valley) Cooperative into the billion-dollar force for family farms and organic agriculture that it is today. If it hadn't been for the unflinching and generous support of food, feed, and farmer cooperatives, CROPP, the nation's largest organic, farmer-owned cooperative, and its brands Organic Valley and Organic Prairie, would never have gotten off the ground 27 years ago. It would never have been able to buy the derelict cheese factory that became its first office/production space, or to buy its first Commodore 32 computer, or to hire the first milk truck driver, much less to pay its seven founding farmers for their product. Shared Capital Cooperative (NCDF) made a loan for \$10,000 to CROPP to purchase a refrigerated truck in 1989 and provided several loans to the cooperative over the following years.

Principle 6 has its origins in 1840s England, when a group of visionaries began to practice what was considered to be the beginning of the food and agriculture cooperative movement. They put their vision in writing, known today as the Rochdale Principles. (For background, see this article from CGN archives: <http://www.grocer.coop/articles/co-op-principles-then-and-now-parts-1-and-2.>) Principle 6 is:

Cooperation among Cooperatives: Cooperatives are autonomous organizations, but they work together to facilitate communication across cooperatives and strengthen the cooperative movement.

A new fund

It is an important service to provide funding for a business segment that often meets with resistance when seeking loans through traditional lending channels. Over time, the principal and interest flowing back into this fund will increase CROPP and Shared Capital's ability to support more cooperatives; and other established cooperatives might pitch in to the fund in the future, exponentially increasing the amount of money available to support cooperative growth.

CROPP is partnering with Shared Capital Cooperative because the organization, headquartered in Minneapolis, has 40 years of experience in providing financial and professional assistance to cooperative businesses. Because of Shared Capital's deep expertise in loan management, CROPP views this relationship as a way to enhance both enterprises, while allowing them each to focus on what they do best, which is, essentially, growing more good in this world.

For further information on the Organic Valley Principle 6 Fund, contact Christina Jennings, executive director of Shared Capital Cooperative (www.sharedcapital.coop). □

