Sustainable Leading and Learning

A Case Study of a Refugee Farmers Cooperative

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Overview

- INTRODUCTION
- BACKGROUND
- ORGANIZATIONAL CONTEXT AND STRUCTURE
- PROCESSES
- PERCEPTIONS AND SKILLS
- CONCLUSION
- POTENTIAL NEXT STEPS
To assist in the transition of greater operational and managerial responsibility from IRC to GFC members by:

- Identifying what the responsibilities are and their current division
- Understanding what is required to take on responsibilities
- Understanding the challenges of transferring responsibilities
- Recommending transitional strategies
INTRODUCTION – Research Strategy

- Applied Research
- Organizational case study
- Interview, document analysis and field study methods
- Purposive participant selection of cooperative board members, key IRC staff and pro-bono lawyer
- Conducted over March – April 2012
- Two ASU graduate student researchers
- Close cooperation from IRC / GFC
INTRODUCTION – Key Questions

**Empirical**
- What are the skills and resources needed to perform organizational roles?
- What skills, resources and capacities do members currently possess?
- What educational strategies would be effective in preparing members to perform roles?

**Analytical**
- What key factors influence the sustainability of the cooperative and the viability of transitioning responsibility to the members?
- How, and to what extent, can the operation and management of the Gila Farm Cooperative be transitioned to members?
Significance

*Gila Farm Cooperative & IRC*

- Focuses attention on the need to address urgent issues that threaten the medium to long term future of the cooperative
- Provides information that will help to make decisions, develop plans and take action towards a more sustainable cooperative
Significance

**Other Marketing Coop / CSA Startups**

- Provides learning experience useful to those beginning similar enterprises
- In particular, thinking beyond startup to long term operation and viability, and to questions of organizational structure, roles and responsibilities
Significance

*Students of Social Enterprise*

- Provides an empirical case useful to those interested in creating generalized theoretical and practical knowledge
- Particularly relevant to cooperative development, especially for marginalized communities, food and agricultural ventures, and incubation of social enterprises by parent organizations.
Marketing Cooperatives

- The formation of cooperatives dates back to the 1800s with worker cooperatives and labor unions.
- In the late 1800s American small farmers formed co-ops for purchasing supplies and marketing farm products.
- Marketing cooperatives market the products of their members.

“at the beginning our problem was how to sell our product. We can produce and we don’t know if we can sell or not. We build the cooperative to help us on selling” (BM4).

“the first that they plant something they don't know where to sell or where to take it so they just donate all of their stuff” (BM1).
Statistics

- 2,310 (membership of 734,500) are U.S. farmer, rancher, and fishery cooperatives
- 138 (membership of 22,200) of which are fruits and vegetable marketing coops
- 4 fruits and vegetable marketing coops in Arizona

Cooperative Benefits

- The alternative agriculture movement may influence the next rise in cooperative number and membership.

- Moroney et al. (2009) emphasizes that it is the farmers whose livelihoods are at stake and so they should retain as much control over their markets as possible, which a coop allows them to do.

- Cooperatives models are beneficial to farming:
  - member-ownership, member-control
  - reducing costs, collective monetary power, and developing a niche market
  - Collective marketing
Refugee Farming

- United States Department of Agriculture (USDA) and Office of Refugee Resettlement (ORR) support beginning farmers and refugees.
- Since 1992, USDA has provided special assistance to beginning farmers and ranchers (Ahearn, 2009, p.1).
- A few years ago ORR initiated Discretionary Grant Awards for Refugee Microenterprise Development (MED) Projects.
ORGANIZATIONAL CONTEXT - PRODUCTION

IRC Phoenix

New Roots

- Technical Support
- Training
- Land
- Preparation
- Seed

Gardeners

- Technical Support
- Training

Farmers

- Loans
- Business Development
- Training

Micro-enterprise

- Loans
- Business Development

Refugee Associations

- FMPP Grants
- RMP Grants
- RAPP Grants

U.S. Department of Health and Human Services
Administration for Children & Families
Office Of Refugee Resettlement

USDA
ORSANIZATIONAL CONTEXT - MARKETING

IRC Phoenix

New Roots
- Staff
- Facilities

Gila Farm Cooperative

Members

Non-Members

Customers
- CSA
- Farmers' Markets*
- Restaurants*
- Purveyers*

Multiple potential marketing outlets
* = not currently active

FMPP Grants

* = not currently active
ORGANIZATIONAL PROCESSES

CSA Weekly Cycle
- Orders
- Newsletter
- Harvest Collect
- Pickup
- Order Update

CSA Management
- Customer Signup
- Pay Farmers
- Special Orders
- Customer Relations
- Farm Visits

Co-op Management
- Board Meetings
- Membership
- Member Communication
- General Meetings
PROCESSES – CSA Weekly Cycle Example

Washing

Weighing & Bunching

Bagging

Producer Receipt

Storage

Pickup Preparation
ORGANIZATIONAL PROCESSES – CSA Weekly Cycle

Actor:
- Farmer (Member)
- Gardener
- Coordinator
- Customer
- Writer

Process:
- Place Orders
- Write Newsletter
- Harvest / Collect
- Customer Pickup
- Reconcile Orders

Resource:
- Internet Computer
- IRC Computer
- Printer / Copier
- Car
- Phone
- Office / Space
- Coolers
Major Accomplishments, Spring 2011 – Spring 2012

- Feb 2011 – IRC Hire Marketing & Cooperative Coordinator
- Mar-Apr 2011 – Initial members recruited
- May 2011 - Perkins Coie LLP becomes legal representative to GFC
- June 2011 – Selected community representatives
- Sep 2011 – Completed Articles of Incorporation and Bylaws
- Oct 2011 – Filed Articles of Incorporation in AZ
- Oct 2011 - Board Meetings Begin
- Dec 2011 – Crop spraying destroys Somali-Bantu crops
- Jan 2012 – First CSA Customer Pick Up
- May 2012 – Somali Bantu harvest expected
ANALYSIS

Guiding Vision

- Important for preventing "institutional drift"
- Everyone wants it to be successful but no clear consensus on what this means
- There are differing opinions on
  - What significance to members livelihoods is desired?
  - What is the social mission?
  - What degree of independence is aimed for?
- A coherent and common vision provides direction and helps to create shared values and unity within the organization

Business Planning

- Financial self-sufficiency is recognized as an essential goal but there is no plan on how to reach it.
- There is general agreement to expand and reach large markets but which markets should be pursued, what would need to be done and when?
- Lack of planning, targets, and timescales detracts from ability to make directed progress, to plan ahead, to be effective, and to achieve long term goals
But members want to diversify
- Farmers' Markets
- CSA
- Restaurants
- Retail
- Export
There are varying degrees of awareness of, and conformance to, cooperative principles\(^1\).

*Member economic participation* is the most commonly identified principle, particularly relating to sharing risks, costs and benefits.

*Education, training and information*, and *Cooperation among Cooperatives* are not acknowledged or acted on.

Development of the cooperative followed a recognized path\(^2\) but missed some important steps
- Clarifying the Purpose of the Business
- Feasibility Study
- Develop a Business Plan

Failing to embed cooperative principles or to follow best practices of cooperative development can lead to diminishing member benefits and social mission

\(^1\)International Cooperative Alliance, cooperative principles (e.g. Cropp & Zeuli, 2004, p.45).

\(^2\)Procedures for organizing a cooperative (Cropp & Zeuli, 2004, p. 69-74)
ANALYSIS - Reliance on IRC and Other Support

- Currently there is substantial reliance on outside support, primarily from IRC, federal grants and pro-bono professional services
  - USDA funded IRC staff operates & manages the cooperative and CSA
  - Farming technical support & training from IRC New Roots program
  - Pro-bono lawyer
  - IRC office space and facilities
  - IRC car
  - Translation services

- Cooperative staffing by IRC staff is the biggest issue
  - Funding for the position is expected to end in Spring 2013
  - Alternative funding will be difficult to find
  - Almost all operational and management tasks currently rely on this funding

- Board members are aware of this reliance and the need to develop greater independence
ANALYSIS – Staffing Options

- Fund professional staff through grants
  - Not a permanent solution as funders expect the enterprise to become self-sustaining
  - Current funding not expect to continue beyond Spring 2013

- Cooperative members
  - Board members are confident that members could take greater responsibility if they received training
  - But there are substantial barriers aside from job training

- Hire paid staff
  - Not a realistic option until the cooperative greatly increases revenue
  - Would greatly reduce member earnings
  - Could take five years for the cooperative to break-even (c.f. World Peas)

- Recruit volunteer / unpaid staff
  - Volunteers; Interns; Pro-bono;
  - The coop already does this for certain tasks
  - But not generally considered an option for reliable, long term, core staff.
ANALYSIS - *Barriers to Staffing by Members*

- Dividing tasks among many members will lose business efficiency and effectiveness.
- Many tasks require basic language and literacy capabilities that many members do not possess.
- Some tasks require specialized computer application skills that first require a competency in basic computer use.
- Members generally do not have time to perform additional tasks. Many of them already work multiple jobs in addition to farming.
- Tasks mostly have to be performed at IRC offices but not all members have cars.
- The cooperative is designed as a marketing cooperative, not a worker cooperative. There is currently no provision in the by-laws for members to earn additional benefits through performing work.
- The cooperative demands many cultural adjustments of members: business culture, board culture, cooperative culture.
What skills and experience do members possess?

- Many members come from rural farming backgrounds. In their home countries they would be considered skilled farmers but in the U.S. they are considered "Beginning Farmers" (USDA).
- Aside from farming there are other skills including: college teacher, army officer, mechanics, baker and business people.
- In general though, we found the range of basic skills expected by U.S. employment standards to be low, in particular:
  - English literacy – none to competent
  - Computer literacy – none to basic
  - Business knowledge – little to some
- Aside from basic skills, members' capacity to act is further reduced by available time and access to transport.
ANALYSIS — Task Specific Training

Tasks Amenable to Member Staffing

- **Customer Pickup - Basic**
  - Requires no computer entry or specialized knowledge
  - Similar skills to farmers' market which many members already have experience of
  - It is also an opportunity for farmers to meet customers and build relationships
  - Some conversational English would help.

- **Harvest Collection - Intermediate**
  - Requires training in quality control and produce preparation
  - Demands assertive action when necessary and the ability to renegotiate orders
  - Requires the ability to speak English and write receipts
  - Needs access to reliable transport

- **Full CSA Coordinator Positions - Advanced**
  - Members with good English, basic computer proficiency and the ability to work at IRC two days a week could be trained as full CSA coordinators
ANALYSIS — *Leadership*

- Leadership – the drive that keeps the enterprise going - currently comes from the IRC coordinator.
- Board members appear to have considerable respect for the current IRC leadership.
- There seems to be a reticence for board members to take over this role.
- Reasons for this could be
  - *Practical* – it is easier to lead when you are at the center of what is going on and have all of the information
  - *Cultural* – taking initiatives and leading is not common to all cultures
  - *Formative Period* – Board members are still learning about the cooperative and business
- Board members express uncertainty about how the current leadership will be replaced.
- However, leadership need not come from a single individual, it can come from the Board collectively.
- Board members recognize the important role of the Board in developing ideas, solving problems, and making decisions.
ANALYSIS — *What do members want?*

- Do members want to be trained to perform cooperative tasks?
- Generally board members accept the idea that members should be trained to operate the cooperative.
- However, some of them expressed greater desire for training to be better farmers.
- While very committed to the cooperative there is a suggestion that at least some members want someone else to make the cooperative successful while they concentrate on being better farmers.
- This is the essence of a marketing cooperative: the cooperative focuses on what it does best – marketing produce – under the control of the producers, and producers focus on what they do best – producing produce.
Conclusion

- Initially the study was to determine gaps in skills and give educational strategies for transitioning the coop.

- As the study progressed it became clear that a focus on education and training without considering the wider context would be of limited use. What point would a training plan be if it is not strategically aligned with development of the enterprise?

- The cooperative is entering a difficult phase. Having come through incorporation and got the CSA off the ground it is vital that the cooperative now works towards financial viability and long term stability.
Potential Next Steps - Immediate

- Create a short term CSA training plan and member work plan.
  - Hands-on, job shadowing, gradually transition job responsibility
  - Select members for tasks based on requirements and member's skills, capacity and desire.
  - Create small teams of 2 – 3 for each job
- Introduce crop production planning as an integral part of cooperative operations.
- Determine additional education topics and strategies that can occur now while waiting for harvest.
Potential Next Steps – Long Term

Strategic Planning

- Create a guiding vision and long term goals.
- Create a five year business plan.
- Create a transition plan aligned with the business plan.

Education & Training

- Create an operational guide to document continuity of tasks as well as refine standards for improvement
- Create a beginning farmer training syllabus that can be implemented for all farmers when starting membership with the cooperative.
Potential Next Steps – Long Term

Cooperative Values

- Embed cooperative education into the organization. To avoid "institutional drift" and receive maximum benefits for all members it is necessary to embed cooperative principles and values into the operation and management of the enterprise and members.

- Engage the local cooperative community. Develop links with the Arizona Cooperative Initiative and become active participants in the local cooperative community. This may have direct benefits in the form of practical help and potential cooperative opportunities with other organizations.