

The Seven Principles of Cooperatives* applied to Pellet Manufacturing in Vermont for Community Pellet Co-ops

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Given that some community members may not be able to afford membership fees, special accommodations will be made to eligible fuel assistance clients, and the Vermont Fuel Assistance Program in general.

Household eligibility for fuel assistance will be determined by the states fuel assistance program each year. Up to 10% of production capacity may be directed to fuel assistance clients. This will start, and be phased in, after co-op membership reaches a capacity to support the inclusion of our low income neighbors (see business plan for details). LIHEAP Clients will be invited to be active members in the co-op.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.

Democratic input from the local forestry workers and LIHEAP clients will be proactively sought. All local voices must be heard at the decision making table.

3. Members' Economic Participation

Members contribute equally to, and democratically control, the capital of the co-operative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

By investing in the co-op, members will be investing in the “ecosystem capital” of a healthy, productive working landscape.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

The co-op will work with the agencies of the state of Vermont including Health and Human Services, Natural resources, and others to best serve our state and local communities' needs. All communication and contracts with the state agencies will be transparent and open to public and member viewing.

5. Education, Training and Information

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

Education: Education of the community around issues of environmental protection, sustainability, invasive species, land use management, energy conservation and heating insulation will benefit the community and the co-op.

Research at a university level on total system efficiency, and new pellet technologies will benefit the co-op

Training: It is in the best interest of the community for the people working in the forest industry to be highly trained in best practices. To this end the co-op will support and pay for ongoing Master Logger Certification for co-op subcontractors. The co-op recognized that to harvest according to Master Logger guides and Forest Guild guidelines will require paying the loggers more money per ton harvested.

Information: The co-op will be transparent in all of its operations and contracts. Information regarding all procurements of feedstock will be made public.

6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

The pellet co-op will work with other energy co-ops in Vermont and neighboring states.

7. Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.

The following sections are added as parts of Concern for the Community and address specific aspects of community.

7.1 Environmental stewardship

The co-op will be dedicated to environmental stewardship for the forest ecosystem, air, water and soil quality and working to maintain a healthy local biosphere diversity.

For Now...

It is vital to take an active role in managing our personal relation to the Earth's resources. We believe that an open dialogue between all members of our community regarding how we impact our local environment is critical to this goal. The sooner we engage ourselves in this discussion and start working towards local environmental stewardship, the better.

and The Future

If we keep in mind that how we live today, will have a lasting impact on future generations of Vermonters, then we will be better stewards of our resources. If we deplete our topsoil, diminish local biodiversity and the carrying capacity of our ecosystems then we have failed as stewards.

The goals of promoting biodiversity, habitat protection, working landscape, sustainable harvest and exclusion of sensitive areas can work together for greater environmental stewardship, and energy independence.

Limits to sustainable harvest are real and finite. We must continuously monitor the ecosystem health and reevaluate what is a sustainable harvest so as not to diminish the carrying capacity of the ecosystem.

We recognize that in our community there will be different views regarding environmental stewardship. We will listen to all views and work towards consensus as a co-op.

7.2 Social Responsibility

The co-op will work with all members of the local community. Households that the state determines to be in need of fuel assistance, will receive subsidized membership in proportion to their state assistance and in relation to the co-op's ability to support them. Up to 10% of pellet capacity will be directed to the states LIHEAP program at co-op member prices.

Please see the last page for the Credit and Reuse Policy.

Low Income Vermonters

Sustainability can not only be for those who can afford it. Our lowest income neighbors, in acts of environmental desperation will engage in destructive practices to meet their basic needs. Low income Vermonters are forced to burn trash or trash wood, and engage in non-sustainable harvest to stay warm. It is in the best interest of all of us to advocate for our neighbors in the greatest need. We will work to help provide for the sustainable wood heating needs of members of our community.

Wages for co-op workers

Those who work for the co-op must be supported with appropriate benefits and good wages. In exchange, we expect them to be the front line guardians and stewards of our natural resources, and the functioning of the co-op. When production goals are met or exceeded under the direction of the board, bonus pay will be awarded.

Avoid Exploitation of others and their resources

We will use our local resources wisely, as opposed to exploiting the resources of others. We will always consider careful use of local resources before using others forest resources. As a community we will engage in trade with other communities, but choose to do so for mutual benefit, as opposed to exploitation.

Use of local forest resources for local needs first

We will use our forest resources for ourselves first, and will encourage other communities to develop and maintain their resources using these principles. By doing this we will encourage others to better develop, and become better stewards of their own resources.

7.3 Ongoing Self Reflection, Evaluation and Evolution

It is important to continually self-evaluate on how the co-op is meeting the members needs as well as its community, environmental, sustainability and social justice goals.

The board must conduct yearly reviews of how it is meeting the member's needs, and a projection on how the co-op is going to change in the following year. Monthly production data will be made available to members and the public. Changes in production, by increasing or decreasing hours of operation so as to best meet the member's needs, will also be made public.

A comprehensive evaluation will be conducted every three years, or if voted by a majority of the co-op members or the board for special reasons. Major changes in expansion of production, new areas of operation or other significant changes will require a comprehensive evaluation.

Sustainability in an ecosystem is measured in the system's ability to change, adapt and evolve in relation to changes. Sustainability for the co-op in relation to the ecosystems that support the co-op and the community, must also be seen as a continuously moving target. One example is how will the co-op change its behavior in relation to invasive insect or plant species? The concept of sustainability as a moving target needs to direct the Co-op's self-reflection, evaluation and evolution.

7.4 Convergent views on Community Heating Energy Needs

No one perspective on modern wood heating technology is absolutely the best.

We must work towards consensus while respecting different perspectives. Tolerance for other's points of view is important. We will work to embrace others views by asking them to join in our discussions and decision making even if we respectfully disagree. This will serve to bring our different ideas to convergence on what is best for our community.

7.5 Economic Benefit for the Local Community

The people who economically benefit from the use of our natural resources must be the people who are the local stewards of the natural resources. Thus the people who live, work and play in the community, will benefit from the energy, the jobs, and also safeguard the local ecosystem health for future generations. If environmental damage occurs, the community will be best able to see the damage and respond appropriately.

This same principal is being used worldwide to help protect wild habitat.

7.6 Local Scale

Vermont scale is different from scales in other states. By recognizing this we can understand and better use the resources in our communities. Our roads and transportation infrastructure do not lend themselves to production facilities of over 80,000 tons of pellets a year. What works in one Vermont community, may not work in another. Large scale industrial forest harvesting for export to other regions or countries makes no sense in Vermont. Small scale, local operations of between three to twelve tons per hour production will be of the best benefit to Vermont communities, and overall state heating needs.

***“We believe that by working together
using these principles,
we can create a viable
modern wood heating industry,
that will be both sustainable
and beneficial for Vermonters,
now and into the future.”***

Please see the last page for the Credit and Reuse Policy.

****The first seven principles are taken directly from The International Co-operative Alliance published in 1995. 7.1 through 7.6 are added as relevant to consumer pellet production co-ops in Vermont.***

By Thomas Tailer and Jessie Ruth Corkins, June 5th 2014

Credit and Reuse Policy:

This adapted document was written by the Vermont Sustainable Heating Initiative (VSHI). Please credit VSHI when citing this document.

Furthermore, this document is intended to advance pellet production co-operatives with a strong environmental and social justice mission. For permission to reuse this document, please contact the Vermont Sustainable Heating Initiative at vshi.pellet@gmail.com, or visit our contact webpage.