This curriculum was developed through a Southern SARE grant and collaboration between Tennessee State University, the University of Tennessee, eXtension.org, and USDA-Rural Development. The objective of this curriculum is to provide training on biomass energy to extension agents and local officials so that they may deliver this information to their stakeholders.
Biomass Energy Training Curriculum

Collaborators: Jason de Koff, Ramona Nelson, Adia Holland, Tim Prather, Sue Hawkins

Cover design: Brett Seybert

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Tennessee State University
3500 John A. Merritt Blvd.
Nashville, TN 37209

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This curriculum and supporting documents can be accessed online (in full and as separate modules) at

http://articles.extension.org/pages/73919

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Jason P. de Koff, Ph.D.
(615) 963-4929
jdekoff@tnstate.edu
Part II: On-farm Biodiesel Production

How to start a cooperative

Learning objectives:

- Participants will be able to identify the steps involved in creating a cooperative
- Participants will be able to explain the potential pitfalls involved in creating a cooperative

Materials:

- PowerPoint® slides “How to start a cooperative”
- Lesson guide: Use the notes in this lesson guide to present information for each presentation slide.
- Questions found at the end of this lesson guide can be used to test participants’ knowledge at the end of the presentation. This can be combined with clickers to improve audience engagement and create discussion.
- An evaluation of the presentation can be found in this lesson guide following the lesson questions.

Topics:

- Timeline
- Phase 1
- Phase 2
- Phase 3
- Phase 4
- Potential pitfalls
Slide 1
This section comes from the USDA Rural Development office and focuses on the steps required for creating a cooperative.

Slide 2
Follow material on presentation slide.

Slide 3
Go over the three reasons for starting a cooperative and point out that a cooperative is a good way to be able to share costs in a renewable energy project such as producing biodiesel for personal consumption.
**Slide 4**
Follow material on presentation slide.

**Slide 5**
Follow material on presentation slide.

**Slide 6**
Follow material on presentation slide.
**Slide 7**
Follow material on presentation slide.

![Use of Outside Advisors](image)

**Slide 8**
Follow material on presentation slide.

![Phase I: Identify Economic Need](image)

**Slide 9**
Follow material on presentation slide.
**Slide 10**
Follow material on presentation slide.

**Slide 11**
Follow material on presentation slide.

**Slide 12**
Follow material on presentation slide.
**Slide 13**
Follow material on presentation slide.

**Phase III: Implement**

**Step 7: Hold First Meeting of the Cooperative.**

The goal of this meeting is to approve the finalized bylaws, discuss the implementation of the business plan, and elect the first Board of Directors (members of the first board of directors are sometimes named in the articles of incorporation if not, elect).

It is important to have a good turnout of members at this meeting.

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**Slide 14**
Follow material on presentation slide.

**Phase IV: Execute**

**Step 8: Convene First Meeting of Board of Directors.**

- New directors elect officers per the bylaws, appoint committees, and with a well-defined agenda, discuss other important action items.
- Board action items:
  - Membership drive
  - Membership application or stock subscription
  - Articles of internship
  - Basic selection
  - Initial hiring of management (necessary qualifications)
  - Authors, employers, and labor agreements
  - Meeting of actions, bylaws, and meeting documents
  - Location of business location (not already selected and seek bids or equipment and facilities)

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**Slide 15**
Follow material on presentation slide.

**Phase IV: Execute**

**Step 9: Hold a Membership Drive.**

Necessary when the new cooperative needs more members than those who had shown commitment and took part in early meetings.

Arrange informational meetings and communicate the vision and goals of the new cooperative and how it will benefit members. Make many meetings and always be available. Cooperative may suit other potential members to ensure there is enough for a successful business.
**Slide 16**
Follow material on presentation slide.

**Slide 17**
Follow material on presentation slide.

**Slide 18**
Follow material on presentation slide.
Slide 19
Follow material on presentation slide.

Q: There are five general rules provided that will help with the success of a cooperative. Which rule do you think is the most important to remember?
A: Answers vary

Slide 20
Follow material on presentation slide.

Q: Which potential pitfall do you see as greatest threat to a successful cooperative?
A: Answers vary

Slide 21
Follow material on presentation slide.
Follow material on presentation slide.

Test their Knowledge - Questions for the audience

A cooperative can take from 3 months to up to 2 years from the first meeting of the cooperative to open doors.

Phase 1 for starting a cooperative is to identify **economic** need.

Q: What are the two steps involved in Phase I?
A: Leaders meet to discuss issues and determine economic need. Potential member-users are invited to a meeting to decide if interest is sufficient to support a cooperative.

Q: What are the three steps covered in Phase II “Deliberate”?
A: Surveying potential member-users, conducting a member-use analysis and initial market analysis. Conducting a feasibility study. Preparing a business plan.

Q: What are the two steps involved in Phase III “Implement”?
A: Employ legal council for legal papers. Hold the first meeting of the cooperative.

Q: What are the five steps for Phase IV “Execute”?
A: Convening the first meeting of the Board of Directors. Hold a membership drive. Acquire capital. Hire a manager. Acquire equipment and facilities and open doors.
# Evaluation

Please give us your feedback regarding this activity. Your feedback will help us improve the activities you attend in the future.

<table>
<thead>
<tr>
<th>Name of Activity: How to start a cooperative</th>
<th>Date of Activity:</th>
</tr>
</thead>
</table>

## A. Instruction

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The specialist was well prepared.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>2. The specialist presented the subject matter clearly.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

## B. General Learning and Change

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I have a deeper understanding of the subject matter as a result of this session.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>2. I have situations in which I can use what I have learned in this session.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>3. I will change my practices based on what I learned from this session.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

## C. Specific Learning

### How much did you / do you know about these subjects?

<table>
<thead>
<tr>
<th>Subject</th>
<th>Before this program I knew…</th>
<th>Now I know….</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The steps involved in establishing a cooperative</td>
<td>Very little: 1, Little: 2, Some: 3, Much: 4, Very Much: 5</td>
<td>Very little: 1, Little: 2, Some: 3, Much: 4, Very Much: 5</td>
</tr>
</tbody>
</table>

## D. Specific Practices

### To what degree did you / will you do the following?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Before this program I did…</th>
<th>In the future I will realistically do…</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Talk to other farmers about how cooperatives are established</td>
<td>Very little: 1, Little: 2, Some: 3, Much: 4, Very Much: 5</td>
<td>Very little: 1, Little: 2, Some: 3, Much: 4, Very Much: 5</td>
</tr>
</tbody>
</table>

## E. Satisfaction with Activity

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I would recommend this program to others.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

## F. Other comments?

Thank you for completing this survey!