

EcoNotes



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Vital Communities

By Kathleen Sayce, *Bank Scientist*

The goal of community development banking is to help create, support and sustain a thriving vital community.

What makes a community thriving, vital, and therefore an attractive place to live? Certain landscapes certainly help: proximity to water, or wide vistas of forests, mountains and other geologic formations. Basic physical amenities include infrastructure (transportation, communications, energy), food, clothing, water, shelter. The capacity to earn a living is critical. Beyond these visual, material, and economic basics are other important layers: peace-keeping, medicine, education. And beyond these layers are cultural elements, which address deeper needs; spiritual, social and skill affiliate groups, recreation and the arts.

Historically, cultural activities were a key part of community life, taken up in abundant free time. Aboriginal societies spent far less time meeting basic needs than we now do: 3-4 hours per day was typical compared to our 8 plus hours per day. They had far more time for other activities, out of which came art, music, handcrafts, games, storytelling.

These days many community elements are supported by not-for-profit organizations (NPOs). It's not at all uncommon for these elements to be treated as optional by governments, and often by society at large. Yet for many people it is often within these organizations and activities that each person relates most strongly to his or her community, and it is often where our sense of place, community and culture begins.

This is why ShoreBank Pacific decided early on that helping NPOs to thrive is an important element of community banking. Without viable NPOs, communities can be seriously one-sided, out of balance between work, land and culture.

In nature, biologically diverse ecosystems tend to be more productive than monocultures (where only one species dominates and thrives). Diverse natural communities are able to withstand a variety of strong natural disturbances and endure. In human societies, socially diverse cultures tend to be more vital, stimulating, and enduring, able to withstand potentially destructive disturbances. More importantly, communi-

ties with diverse cultural elements are places where people want to live, and their participation in those elements helps to sustain the communities as thriving, vital places.

In this issue, we have invited several of our NPO friends to write about themselves. From activist organization to community development loan fund, each one plays an important role in promoting environmental, economic and cultural vitality within its community and region.

McKenzie River Gathering Foundation

by Marjory Hamann, *Executive Director*



For some non-profits, "a vibrant cultural life" includes having a politically active and engaged population that is committed to social, economic and environmental justice.

The McKenzie River Gathering Foundation is dedicated to helping those nonprofits thrive throughout the state of Oregon. The Foundation – which is a nonprofit itself – serves as a community resource, helping people who value justice find effective ways of supporting local activism.

Each year, more than 300 people make donations of \$25 to \$50,000 to the Foundation, which then awards grants to small, grassroots organizations that are naming and addressing critical issues in their communities. One example is the Environmental Justice Action Group, which educates and mobilizes residents in North and Northeast Portland to address pollution problems that disproportionately impact low-income communities of color. Further south, the Cascadia Wildlands Project builds alliances between traditionally hostile constituencies to simultaneously protect the environment and create economic opportunities in rural communities.

(continued on page 4)

Astoria Co-op

by Victoria Stoppiello, *General Manager*

“Why should the co-op expand? Why is growth seen as always a good thing?” I was asked at a potluck gathering of a group of thoughtful, civic-minded people. I knew the speaker well enough to know that he was playing devil’s advocate to an extent – but it also gave me an opportunity to promote my vision for our small but rapidly growing Astoria Co-operative natural foods store. I’m the store’s first general manager in its 30-year history, starting as a food buying club, becoming a mutual benefit non-profit, and now a formal co-operatively owned business.

“Well,” I answered, “We need a paradigm shift about food in this country and our little co-op has a role to play in that transformation.”

We need more locally grown, organic food. Every step we take, no matter how small, is a step in transforming how food is produced, distributed and consumed in the U.S. Our small co-op (under \$1 million annual sales) has the potential to link people who produce quality food and people who are seeking it.

Our co-op is riding a wave of increased consumer interest in natural foods and has had 12 to 15% sales growth the last several years, in spite of a crowded facility with very little office space or back-stock storage. That’s why we’re planning to move to a larger facility in the next few years. In the meantime, we’re honing our organizational skills, finding efficiencies and making do with what we have.

There is tremendous untapped potential for local food production in our region, the lower Columbia River area of Southwest Washington and Northwest Oregon. We have a benign climate with a long growing season. With solar greenhouses, farmers could extend the season even further. We have access to fish and seafood harvested literally a few miles from our store. We are the natural, obvious outlet for local producers – but we don’t have the physical space or specialized facilities – yet.

What we do have is passionate shoppers, a committed board and staff, and the opportunity to link with others to encourage more local food production. At a recent board meeting, a board member asked why we don’t sell fresh tortillas, especially given the large number of Hispanic families in our area. The answer: Fresh tortillas, produced a hundred miles away in the I-5 corridor, require preservatives – something the store has avoided. Putting that issue aside, shouldn’t we be linking with other people and organizations to encourage local production of food we all enjoy?

To me, that’s the larger vision of our small co-op: beyond retail – becoming a partner with others committed to local value-added food production as well as organic and sustainable agriculture.

Food Alliance: Sustainable Agriculture & Healthy Food Choices

by Matthew Buck, *Assistant Director*

The poet Wendell Berry once said, “Eating is inescapably an agricultural act, and how we eat determines, to a considerable extent, how the world is used.” That being the case, we should all be glad to hear that consumer research by The Hartman Group indicates that almost two-thirds of US consumers are making at least some of their food purchases based on their social and environmental values.

One of the organizations that is bringing more socially and environmentally responsible food choices to consumers is Food Alliance, a non-profit organization (and Shorebank Pacific customer!) dedicated to creating market incentives for sustainable agricultural practices.



Based in Portland, Food Alliance launched a third-party certification program in 1998 that evaluates farms and ranches against standards for soil and water conservation, reduction or elimination of pesticides, protection of wildlife habitat, safe and fair working conditions, and the welfare of farm animals.

The program started with a single Hood River grower selling Food Alliance certified apples into three grocery stores. Seven years later, Food Alliance has over 200 growers in 16 states selling a wide variety of fruits and vegetables, meats and dairy products in grocery stores, restaurants, food service dining halls and other venues. To really understand Food Alliance though, you have to meet some of the growers and see how certification is connecting them with new markets and consumers who share their values.

Mike and Jeanne Youngquist are fourth generation farmers growing berries and other crops in Washington’s Skagit Valley. In 1997, out of concern for the children of the many migrant farm workers in the valley, the Youngquists started a bilingual daycare facility. The Berry Good School now operates year-round and features a lab where children can learn basic computer skills. This social commitment helped convince Ben & Jerry’s that their ice cream would taste even better with Mike & Jeanne’s strawberries.

Karl Kupers and Fred Fleming founded Shepherds Grain in 2002 to produce and market Food Alliance certified flour. As farmers, they use a “no-till” cropping system to grow wheat in eastern Washington. This system helps prevent erosion and reduces global warming by binding



by Bettina von Hagen, *Vice President*,
Ecotrust Forestry Program

Context for Ecotrust's work

Ecotrust is focused on the geography of Salmon Nation – from Alaska to California, which features some of the most productive natural resources in the world and which has sustained native populations well for millennia. Yet when we look at the natural resource sectors – from forests, to farming, to fisheries – we see a pattern of declining natural, social, and financial capital. None of those industries are serving the land or the people as well as they might.

From an ecological perspective we're seeing effects like dwindling fisheries, declines in water and air quality, declines in habitat, and increasingly degraded landscapes. From a social perspective, we think about the number of people employed in those sectors and the quality of those job experiences. From a financial perspective, we might look, for example, at the timber sector, where the industry has been underperforming – by Wall Street standards – for twenty years and where you have lands changing hands at an increasing pace, an increasing number of bankruptcies, and new financial mechanisms – which are, in fact, merely short-term fixes – being created to solve the problem.

By any criterion – ecological, social, or financial – there has not been a pattern of real value creation in these industries. So the question that Ecotrust is trying to address is: how do you build a restorative economy, where every transaction – on 100 percent of the landscape – enriches people and place.

Food Alliance: *(continued)*

atmospheric carbon into the organic matter in the soil. Instead of selling an anonymous commodity, Karl and Fred are now proud to know that customers at Hot Lips Pizza, Grand Central Baking, and other restaurants and bakeries are enjoying sweet and savory treats made from their flour.

Doc and Connie Hatfield and the other families in the Country Natural Beef co-op are well known in the Northwest for their environmental stewardship – certified by Food Alliance. That made them a great partner for another Northwest icon, the Burgerville fast food chain. In 2004 Burgerville named Country Natural Beef their exclusive supplier for hamburger. According to Connie, the real success is that the ranch “kids” are starting to come back from jobs in the city because they see opportunity in agriculture again.

So, in case you doubted it, your food choices do make a difference!

Context in the forestry sector

In forestry, the social context is that the number of jobs in the woods is declining; that the average age of forest operators is increasing; that the environment is very competitive, with increased price pressure on the remaining contractors; that opportunities for employment in the valued-added sector are declining; and that mills are located closer to the I-5 corridor and are more automated, offering fewer jobs.

We think that the industry is making a wrong decision in responding to global pressure by trying to compete on price, on a commodity basis, with regions that have lower wage costs and that can grow wood more quickly. A more appropriate response would be to develop a style of forestry – and farming and fisheries management – that produces economic, ecological, and social benefits that are unique to the inherent productivity of this ecosystem.

Over the last two years, we have developed Ecotrust Forests, LLC as a mechanism to acquire and manage forestlands. We believe that our forestry practices will be more profitable than industrial forestry and that a transparent example of ecological forestland management will demonstrate better effects on the land, may provide twice the employment, and ultimately with the development of new markets, will provide superior financial returns at lower risk. When you manage forestlands for an array of products and services, you always retain your options on the land: removing inventory when prices are highest, maintaining an array of species and age classes, providing recreation, scenic views, and non-timber forest products.

Growing constituencies

We believe that ecological forest management is in the best interests of the forests products industry. The development of ecosystem markets, the development of additional revenue streams, and the development of a unique niche in a competitive world market all serve the industry well. So part of our approach is to help entice, encourage, cajole, reassure the forest products industry that this approach is viable and helpful. At the end of the day, without the support of key players in the forest products industry, we're not going to be able to change the way the industry is managed. That approach is at the root of the work of Ecotrust Forests, LLC as well as of Ecotrust in general.

We are working to learn to live in this wonderful geography in a way that truly produces value for its current and future citizens. So that every activity – from forestry, to farming, to building cities, to civic governance, to urban planning, to producing power, to making widgets – builds social, ecological, and financial capital.

To read the complete article, go to www.shorebankpacific.com. For more information about Ecotrust and Ecotrust Forests, LLC, go to www.ecotrust.org, or call Bettina at 503-227-6225.



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SHOREBANK ENTERPRISE PACIFIC

by Mike Dickerson, *Deputy Director*

ShoreBank Enterprise Pacific is a pioneer rural economic development institution that invests in people and their communities to create economic equity and a healthy environment. With a recent expansion to the Olympic Peninsula, Enterprise's service geography now includes all coastal counties of Oregon and Washington, with offices in Ilwaco and Port Angeles, WA and Coos Bay and Astoria, OR.

Enterprise was founded in 1995 as a non-profit affiliate of ShoreBank Corporation, the nation's first and leading development and environmental bank corporation. ShoreBank's on-going collaboration with Ecotrust was the inspiration for a non-bank development institution committed to aiding rural families and communities.

Enterprise provides business and community development loans, advisory services, market information, product development, and community development support. To date, Enterprise has invested \$21 million in people and communities of the Northwest coast.

A major effort of Enterprise has been the provision of organizational capacity building services to rural non-profits. An emphasis of these services is to develop and implement strategies that result in expanded service capacity and a more diverse set of resources.

Many rural non-profits rely on one or two primary sources of funding, resulting in limited avenues for growth, challenging economic times, and financial instability.

Enterprise provides expertise on developing diverse fund raising strategies and places emphasis on identify-

ing program activities that result in earned revenue streams. Establishing a strong financial platform is essential for continued provision of services and for creating opportunity for growth.

Recipients of these services have included water-shed restoration groups, conservation organizations, affordable housing developers, social service providers, and rural health providers.

ShoreBank Enterprise and ShoreBank Pacific have collaborated on loans to a number of businesses, including the Holmgren Organic Dairy in Myrtle Point, Oregon and Willapa Bay Hardwoods Mill in Raymond, Washington.

For more information on the services we provide, visit our website at www.sbpac.com.

MRG Foundation *(from page 1)*

A unique feature of MRG Foundation's grantmaking is that grassroots activists are the ones making the decisions. The Foundation's Grantmaking Committees are made up of people who are immersed in the work and have a keen understanding of the issues. MRG also offers support for individual philanthropists who are looking for ways to fund social change work. Over the past 29 years, MRG Foundation has awarded more than \$8 million dollars in grants.

Want to know more? You can find the McKenzie River Gathering Foundation on the web at www.mrgfoundation.org.