

**Madison Cooperative Development Coalition**  
**Cooperatives In Development Grant Application**  
**April, 2020**

**Applicant information**

- Business name- Madison Cannabis Cooperative
- Business address (if available) or
- Name, phone number, address, and email address of primary contact person.

Felicia Freund

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**Description of the product(s) or service(s) your co-op will offer.**

**Products:**

- Organic CBD Tincture Formulations
- Organic CBD Topicals
- Organic CBD Pre-rolls
- Organic CBD Capsules
- Locally-sourced Organic CBD-infused honey
- Organic CBD-infused Tea
- CBD-infused Transdermal Relief Patches
- CBD-infused Edibles

**Services:**

- Hemp/CBD Processing Services
  - Trimming/Rolling
  - Organic Ethanol Extraction
- White Labeling for Co-op Retailers
- Delivery/CSA Pick-up
- Consulting

**Description of how your co-op contributes to achieving the mission of MCDC.**

*The Madison Cooperative Development Coalition (MCDC) is a collaborative of community-based organizations, business resources, and cooperative developers. MCDC works to support the growth and creation of worker cooperatives, specifically addressing the factors affecting local communities of color, low wealth and traditionally excluded workforces. The goal is to create a sustainable system that will combat poverty, empower workers, and increase equity in order to strengthen Madison's long-term economic health.*

Madison Cannabis Cooperative is a worker owned, Hemp/CBD processing cooperative that values science, social justice, and sustainability. As the capital city of a state rooted in agriculture, containing one of the top research universities in the country, it is our responsibility to learn from the inequitable pitfalls experienced by other states in their hemp and cannabis markets to create a more informed and equitable alternative. Actively assessing the needs of the producers and consumers in our local hemp supply chain has allowed us to establish clear goals to meet these needs.

By coordinating with the South Central WI Hemp Cooperative (a local producer-led certified organic hemp co-op, formed with support by the UW Center for Cooperatives), MCC recognizes the risks that our local farmers bravely endure season after season. We aim to relieve some of this risk by providing the highest quality botanical processing services that ensures the integrity of their crops and a guaranteed living wage for farmers. We strive to be a partner to Wisconsin farmers who are looking for new opportunities and ways to reinvigorate their farms during these difficult times. MCC intends to serve as an example of a cooperative, values-based business model to encourage other non-cooperative businesses to form or convert to the worker co-op

model with the goal of growing our local cannabis economy in socially and environmentally responsible ways. We will continue to work with SCWHC and other co-ops (see list of who we are working with below) to coordinate efforts with the aim of developing a second-tier cooperative of co-ops in the supply and distribution chain.

In the midst of a global pandemic and an unprecedented economic shift, the consumer demand for affordable and effective wellness-based CBD products will likely continue to increase. MCC strives to provide cooperatively sourced, scientifically crafted, organic CBD products to the Madison community and beyond. In order to ensure a market of conscious CBD consumers, it is essential that our co-op initiative aids in providing scientifically based cannabis education. Educating our community is the key to normalizing and promoting the exponential medicinal and environmental benefits of the hemp plant.

Within this education, it is crucial to not only recognize, but raise awareness around the systemic economic and racial disparity that exists as a direct result of cannabis prohibition, the “War on Drugs” and even current cannabis policy. MCC will collaborate with local community organizations, like Nina Collective (a local co-op consulting agency) to provide racial and gender equity training from the ground level of organizing and as we gain new member-owners. We are dedicated to building our hemp co-op culture with the goal of promoting inclusivity, diversified outreach and job opportunities to marginalized communities who have been disproportionately impacted by US drug policy. Recruiting worker-owners previously incarcerated for cannabis convictions and advocating for necessary cannabis policy changes will aid in establishing racial equity in the WI hemp supply chain.

Southern Wisconsin's vibrant economic history in hemp production and manufacturing, previous to its prohibition, allows us to anticipate the future success of the hemp industry in our state. MCC recognizes that only in cooperation can we compete with large corporate industry and is committed to answering the call to cannabis agriculture in a socially and environmentally responsible manner. In solidarity with our Wisconsin state motto, Madison Cannabis Cooperative strives to move this industry "Forward," to a lasting and equitable future in a flourishing hemp supply chain.

**List of key organizers and their relevant experience or expertise in cooperatives, unions, and/or business development.**

- **Felicia Freund**

**Education:** Associates Degree in Liberal Art & Science

**Experience:** 10+ years of service industry experience; including sous chef & restaurant management, 3+ years of cannabis retail experience in the legal Washington recreational market, 2 years of producer/grower experience in small scale, organically farmed hemp in Wisconsin

**Specialties:** Cannabis cultivation, cannabis science & sales.

- **Scott Boyeson**

**Experience:** 7+ years as a small business owner, 4+ years of head chef experience, 3 years of experience as COO & processor of a legal cannabis grow operation in Oregon's recreational market.

**Specialties:** Cannabis science & botanical processing; including CO2/BHO/Ethanol extraction methods, cannabis compliance & laboratory safety protocol.

- **Noelle Steffen**

**Education**

UW-Milwaukee, Associates Degree: International Relations

UW-Marathon County: Business

EC1/EC2: Work and Family Consulting Degree

**Experience**

8+ years of event planning and venue management. 1 year teaching position at Stettin Elementary- 3rd grade. 2+ years in marketing and vapor/cannabis technology.

**Skills/Specialties**

7 years of German Language- fluent

Marketing and Cannabis science

- **Jerry McDonough**

**Experience:** Over 40 years as an IT professional in both the private and public sectors. Developed skills in problem resolution through team work and recognizing skill sets in others to resolve complex technical issues.

**Specialties:** Organizing, and problem solving. Recognizing the needs of a situation, and connecting the dots to fix it, by getting others involved. For example:

In 2004, IT for State and Local Governments were beginning the process to move all IT functions to the cloud. This would have ended the careers of thousands of workers throughout the Country. To prevent this from happening here I contacted AFSCME, and asked how I could create a Union Local. They provided me with the results of a Freedom of Information Request that had the names of 125 other County workers who fit the classification of non-supervising managers. After many conversations we had enough cards signed to hold an election, and we became the Dane County Professionals Local 1871. In our 1st contract we had language to prevent outsourcing any work we could do in house. In 2011 after ACT 10 was enacted, making Public sector Unions powerless, it was time again to take bold action. We were under contract until 2014 so in that time we (the Professionals Local) combined all 5 County Union local contracts into 1. We were then able to add it into the County Civil Service Ord. to create a Handbook. In Dec. of 2014 we were successfully able to transition into an

Association, and were able to retain 80% of our membership. Since we were no longer a Union, ACT 10 no longer applied to us. We are at the table representing our members for wages, benefits and working conditions. Currently I am still President.

**Personal aspirations:** To become highly involved in the Sustainability movement through Co-ops, to build a more just and better world.

- **Thony Clarke**

Over ten years ago, Chef Thony Clarke aka The Mango Man set roots in Madison, WI with his first food cart. Over the ensuing decade, he fostered and nurtured these roots, growing first to a small restaurant on Butler Street, and later to a larger location on Williamson. While his goal was to grow a business, he ended up doing one better than that and instead nurtured and grew the *Mango Man Cooks* brand. Chef Tony works directly with FEED Kitchen and was a participant in Madison's 'Market Ready Program.'

Over the past decade, The Mango Man has appeared on multiple local TV and Radio shows in addition to being featured in numerous newspaper and magazine articles. His personality and style have made connections and friends across the Dane County region. The level of showmanship he brings to events has given him a reputation and level of market penetration which few restaurateurs in Wisconsin can lay claim to.

**List of community-based organizations [and cooperatives] you will be working with (if any) and how you will work together.**

- **MCDC:** We will continue to coordinate with MCDC to build our co-op, seeking educational and funding opportunities, as well as supporting any efforts to form more co-ops along our supply and distribution chain. We will comply with MCDC reporting requirements and participate in any requested efforts.
- **MadWorC (Madison Worker Cooperatives):** We will seek support from worker-owner peers and participate in MadWorC's efforts to bolster our local worker co-op ecosystem.

- **South Central WI Hemp Cooperative:** SCWHC will be our certified organic hemp supplier. They have provided much assistance in the start up phase, including sharing articles of incorporation and general mentorship on process. They have also provided valuable references to their attorney and marketing consultant.
- **Shared services hemp producer, processor, distributor co-op (in development):** We have been working with MCDC, SCWHC, and several other co-ops to bring together co-ops to form a second tier shared services and marketing cooperative.
- **Community Pharmacy:** CP has contributed to the discussions on a second tier co-op and several member owners are interested in working with us on healing-focused CBD formulations.
- **Willy St. Co-op:** Willy St. has expressed interest in distributing our products and featuring them as the local certified organic option. We will provide information to Health and Wellness staff on our products so they can educate customers, who trust their expertise.
- **Common Good Bookkeeping Cooperative:** We will work with CGBC to set up our books and will receive training from them in quickbooks or contract with them to do our bookkeeping.
- **United Food and Commercial Workers:** UFCW organizes workers in the cannabis industry in other states. They participated in early conversations that led to the formation of our co-op and we will explore the option of unionizing with them to access benefits and services they provide to their locals, as well as to connect to the broader movement of cannabis workers.
- **FEED Kitchen:** Thony already processes and labels his Mango Man Cooks line of products at FEED. We will begin processing and packaging our products at this certified commercial kitchen space..
- **Kiva Madison for loan:** We will work with MCDC to secure a loan through this crowdfunding platform, which will help to launch and market our co-op as well as provide valuable start-up funding.
- **Nina Collective Co-op:** We will contract with Nina Collective for racial and gender equity training for our co-op as we build our co-op culture, and as we bring in new member-owners.

**Description of how this grant will impact the development of your cooperative. Include at least three (3) expected outcomes.**

These funds are crucial to the early development of our co-op. We are a group of only five at this time and would otherwise struggle to cover these costs, especially during this economic crisis. This grant will reduce economic barriers and allow us to:

1. Receive expert legal advice in both cooperative start up (including incorporation and bylaw review) and in hemp compliance. Since we are in a new and quickly evolving industry in Wisconsin, with an ever changing federal landscape, such legal advice will be critically important.
2. Consult with an expert branding developer specific to the hemp industry in WI, which will allow us to transition into the local hemp market with a brand that reflects our uniqueness, integrity, and cooperation.
3. Consult with cooperative bookkeepers and an accountant to set up our bookkeeping tools and inform our decisions around financial matters.
4. Contract with Nina Collective for training to ensure our co-op culture is established on a foundation of racial and gender equity and conduct our co-op business in a socially conscious manner.
5. Receive both cooperative-specific training (such as Board of Director governance) and industry specific training. Hemp industry specific training is essential for our co-op to innovate, adapt, and succeed within a quickly evolving industry, maintain compliance with all state hemp regulations, and be informed on any safety and procedures requirements.



**Budget that describes how the grant funds will be spent.**

Expense	Rate	Amount
Marketing Consultant (Katie Sabalones) <ul style="list-style-type: none"> <li>● Logo development &amp; website design</li> </ul>	\$20/hr	\$500
Branding Development Consultant (Interviewing PrettyLethalDesigns)		\$1,000
Attorney Consult (Matt Underwood or Adam Woodford) <ul style="list-style-type: none"> <li>● Review Articles of Incorporation</li> <li>● Development of Bylaws</li> </ul>	\$299/hr	\$3,000
Final attorney consult with David Sparer		\$500
Common Good Bookkeeping Co-op <ul style="list-style-type: none"> <li>● Training in QuickBooks</li> <li>● Training in Co-op finances</li> </ul>		\$2,000
Nina Collective Co-op <ul style="list-style-type: none"> <li>● Racial &amp; gender equity training</li> </ul>		\$600
UW Center for Co-ops <ul style="list-style-type: none"> <li>● Governance training</li> </ul>		\$300
Industry specific training <ul style="list-style-type: none"> <li>● Compliance training</li> <li>● Laboratory safety training</li> </ul>		\$1,500
Accountant (Bruce Wagner) <ul style="list-style-type: none"> <li>● Consult on the tax consequences of the organizational structure</li> <li>● Review financial section of bylaws to discuss the patronage dividend</li> </ul>		\$600
<b>TOTAL</b>		<b>\$10,000</b>

## **Timeline of development for your cooperative.**

### **Phase 1: Co-op Development and FEED Kitchen Processing**

April 2020 - April 2021 (some of the following tasks will happen simultaneously)

- Submit MDCDC grant application
- Attorney consulting
- Articles of Incorporation
- Develop bylaws
- Elect Board of Directors
- Graphic design consulting & brand development
- Packaging/labeling
- Apply for hemp processing license ASAP
- Source raw biomass from SCWHC & begin extraction for first round of sellable products

### **Phase 2: Processing Facility/Shared Offices**

- 2nd tier co-op development (in early stage of organizing)
  - ◆ Fiber processing (capacity of facility)
- Research & development
- Apprenticeship & training program development

We will use the below form to submit timeline reports to MCDC every quarter of Year 1.

Madison Cannabis Cooperative Timeline of Development				
Cooperative Activities	Year 1 April 2020 – April 2021			
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.
Submit MCDC grant application for review (4./21/20)	X			
Apply for hemp processing license through DATCP				
Articles of Incorporation				
Consult with attorney				
Establish board of directors & develop bylaws				
Consult with graphic designer for brand development				
Develop marketing plan				
Co-op governance training, industry specific training, diversity & ethics training				
Source raw biomass from SCWHC & begin extraction for first round of sellable products				
Delivery/Distribution				
2 <sup>nd</sup> tier development				

