



**THE OHIO STATE UNIVERSITY**

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COLLEGE OF FOOD, AGRICULTURAL,  
AND ENVIRONMENTAL SCIENCES

# Collaborative Marketing, Harvesting, Processing, and Pelletizing in Ohio

Hannah Scott, Ohio Cooperative Development Center

2016 Ohio Hops & Malting Barley Conference



# Ohio Cooperative Development Center

- Cooperative education
- Formation counseling
- Member education
- Bylaw development
- Board training
- Feasibility studies
- Business plan assistance
- Resource linkages



Our mission is to improve the economic condition of rural areas in Ohio and West Virginia through the development of all types of cooperative businesses and cooperative-like groups.



# Ohio Hops

Production   Processing   Pelletizing   Marketing





	<b>Sole proprietor</b>	<b>Partnership</b>	<b>LLC</b>	<b>Corporation</b>	<b>Co-op</b>
Ownership	Individual	Two or more individuals	One or more individuals	Stockholders	User members
Voting		Partners according to investment	Partners according to investment	Shareholders-one vote per share	One vote per member
Major users	Open	Open	Open	Open	Members
Benefits/Profit	Individual	Partners	Partners	Investors and stockholders	Members
Financing	Owner investment, retained profit	Partners' investment, retained profit	Partners' investment, retained profit	Sale of stock, retained profit	Membership fee or stock sales, retained profit



# The Co-op Business Model

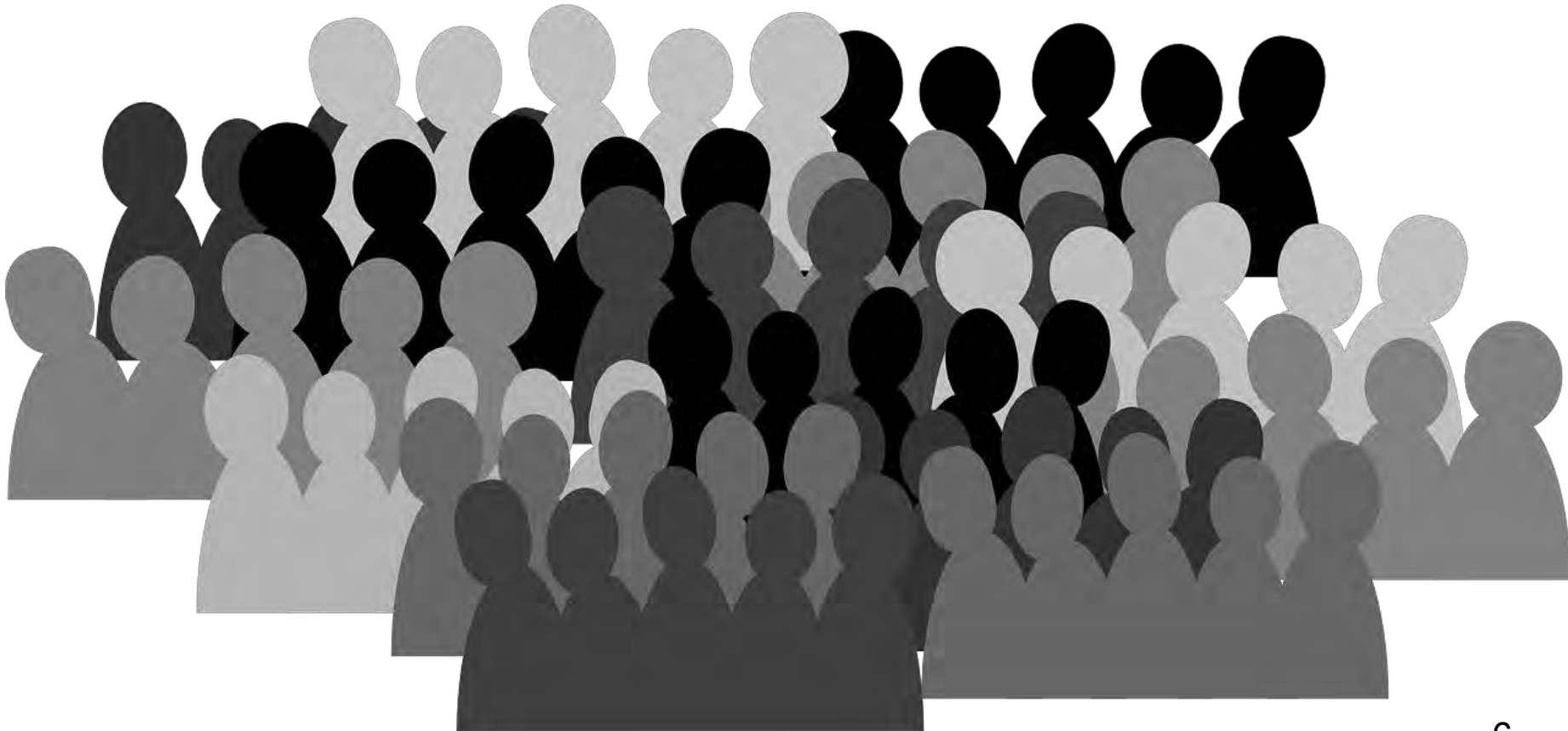


A cooperative is a business owned and controlled by the people who use its services.

(U.S. Department of Agriculture Rural Development, 1994)

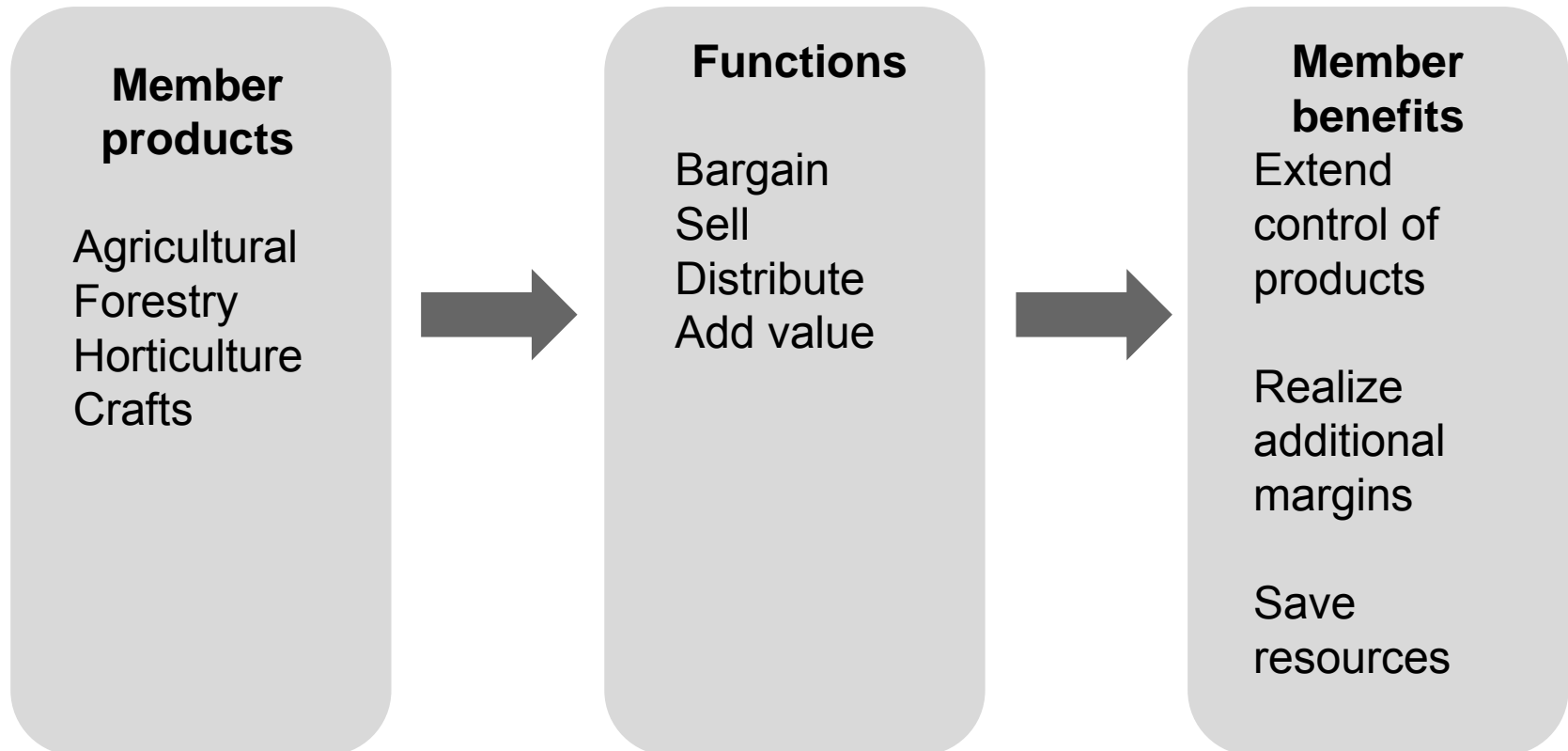


# Can you do something better as a group than you can individually?



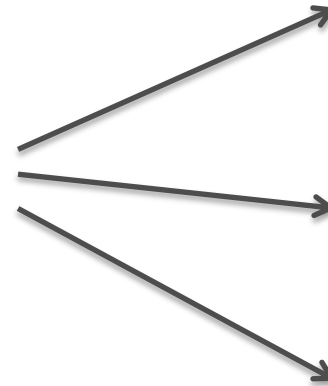


# Marketing Cooperatives





# Marketing Cooperatives: Hops Example



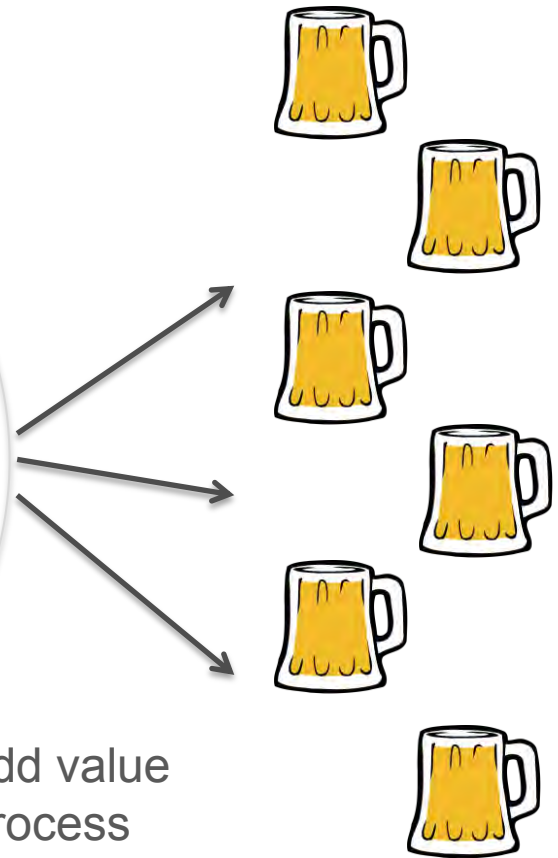
Bargain  
Sell  
Distribute  
Add value







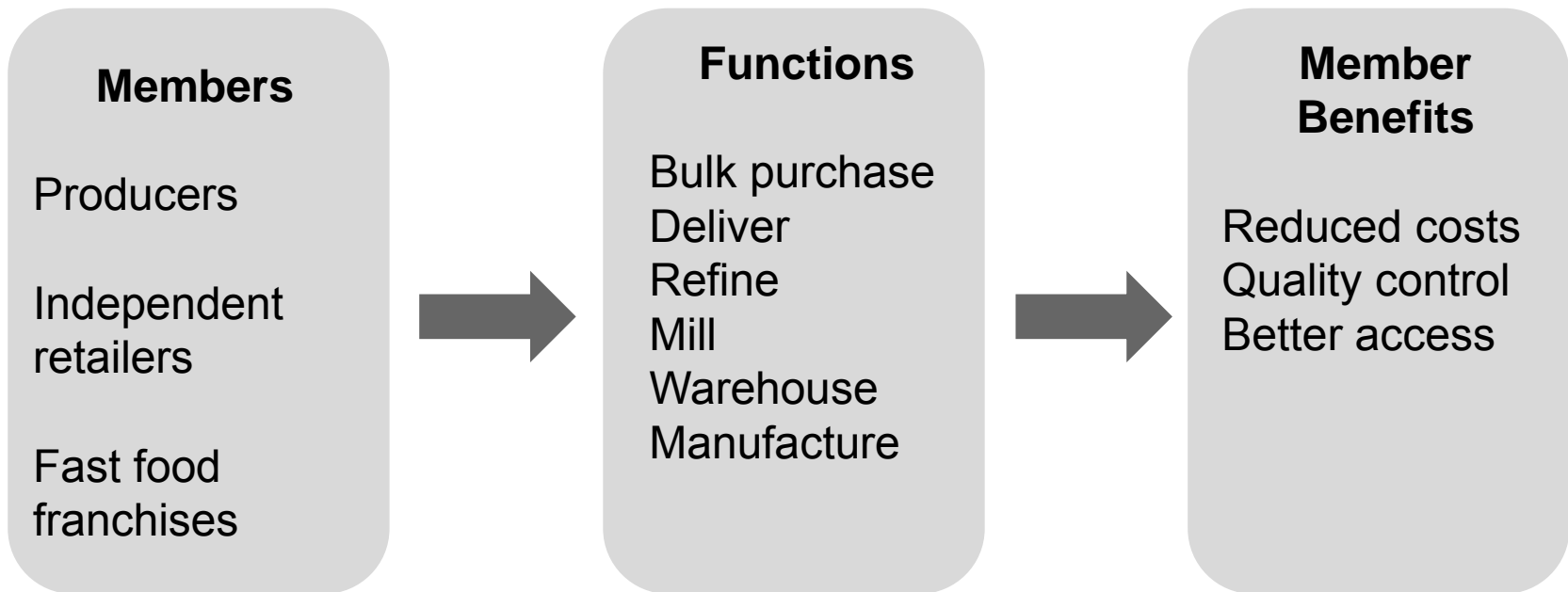
# Marketing Cooperatives: Hops Example



Add value  
Process

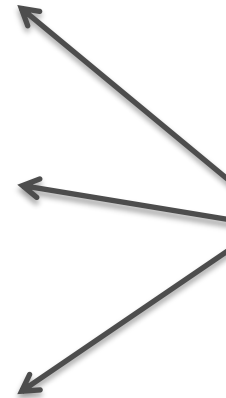


# Purchasing Cooperatives





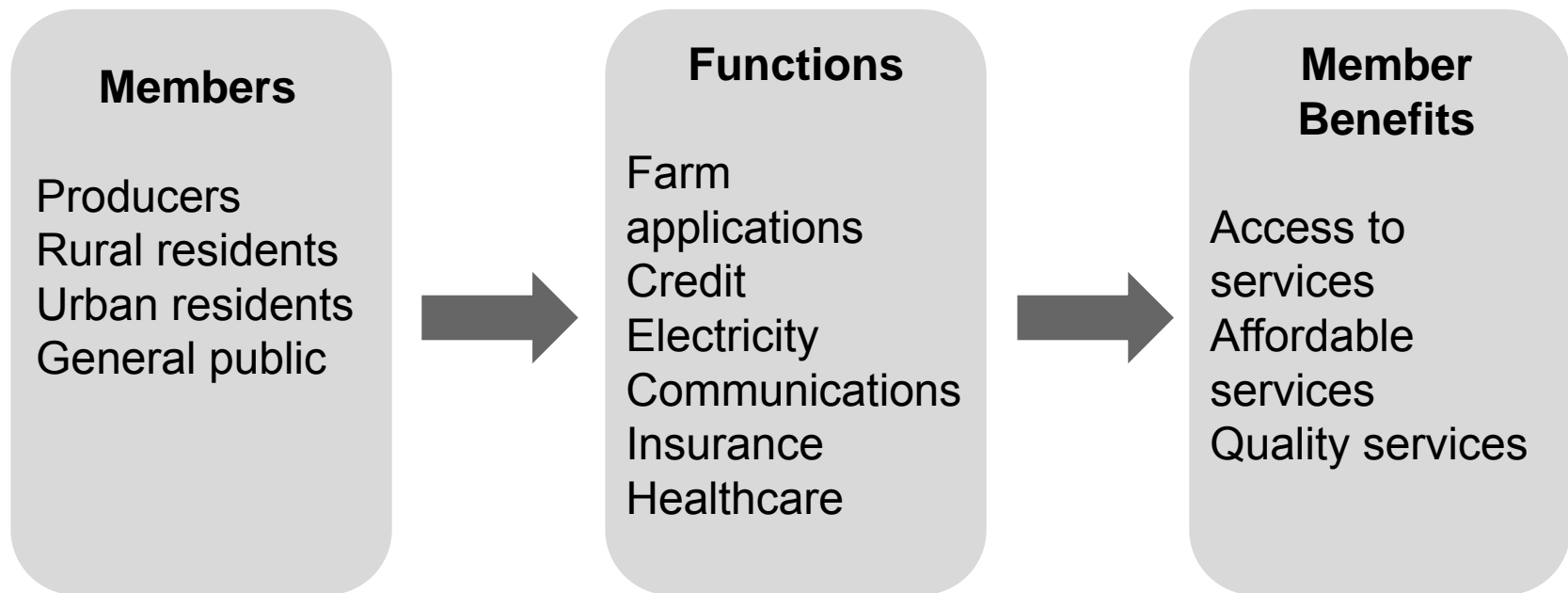
# Purchasing Cooperatives: Hops Example



Bulk purchase  
Deliver



# Service Cooperatives





# Service Cooperatives: Hops Example



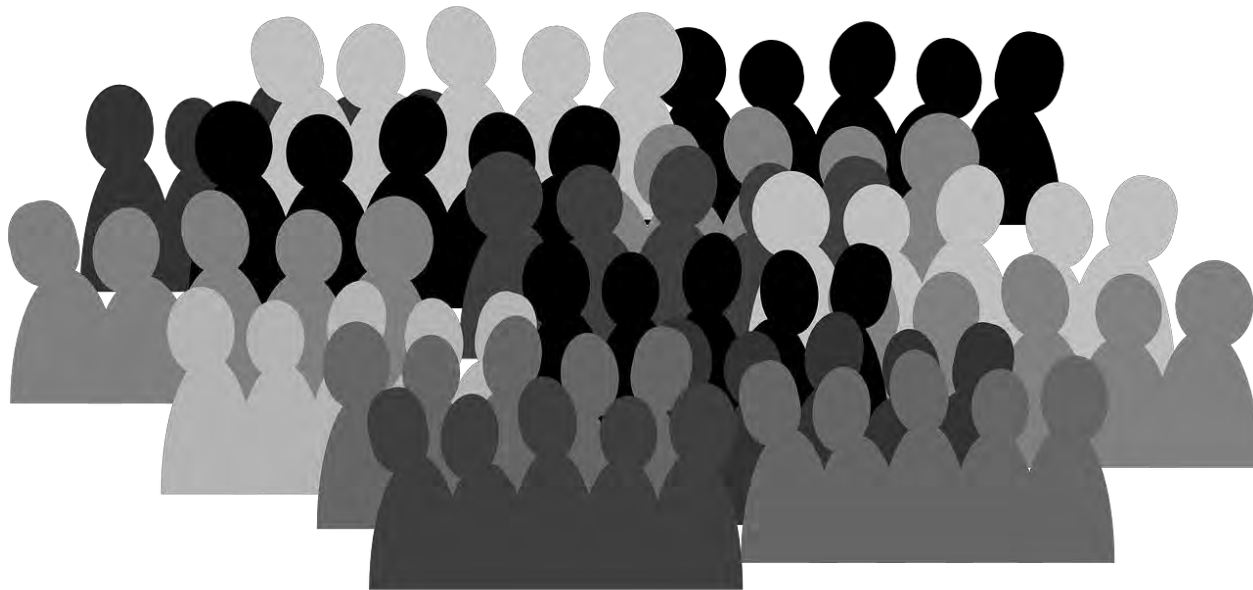


# Cooperative Advantages

Shared knowledge

Pooled resources

Member control





# Cooperative Limitations

**Cooperatives are not appropriate for all situations!**

## Control and Profits

Is everyone willing to share? Does it make sense to share?

## Financing

Co-ops are organized for member benefit. Not to maximize profit.

## Complexity





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OHIO AGRICULTURAL RESEARCH AND DEVELOPMENT CENTER

OHIO STATE UNIVERSITY EXTENSION

# Thank you!

## Questions?





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*The Ohio Cooperative Development Center is funded, in part, by an agreement between USDA Rural Development and The Ohio State University.*





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