Ohio Cooperative Development Center

Insight into Current Cooperative Development

2013-2014 A Year in Review

highlights >>>

Ohio Hops Growers Coop Formation
OCDC Attends NC Conference
2013-2014 Seed Grant Awardees
Ohio Hops Growers Looking to Form an Ohio Cooperative

The Ohio craft brewing industry is expanding with over 100 new craft breweries licensed in Ohio in 2013. Research being conducted by The Ohio State University (OSU) has been helping to identify hops production techniques, varieties, and practices that can be adopted by Ohio farmers to grow for this expanding market. Currently over 95% of the hops being used by Ohio craft brewers is sourced out of state from northwestern United States farmers.

A group of Ohio hops growers have identified that for Ohio to grow and provide hops for this expanding market that an Ohio Hops Growers Cooperative business type structure will form. Having met with the Ohio Cooperative Development Center staff in the fall of 2013, the hops farmers have begun the process of Cooperative formation. The Ohio hops growers have never had any organizational structure or association.

To begin the formation of the Ohio Hops Growers Cooperative an Ohio Chapter of the Northeast Hops Alliance is being established to recruit hops growers and potential members of the Cooperative. Membership in the Alliance is open to any farmers or craft brewers interested in working together to develop the Ohio hops industry.

If you are interested in the Ohio Hops industry and the Ohio Hops Growers Alliance and soon to be formed Ohio Hops Growers Cooperative, contact Brad Bergefurd, Horticulture Educator and Specialist at the OSU South Centers at 800-860-7232 x136 or Bergefurd.1@osu.edu.

The Northeast Hop Alliance (NeHA) welcomes hops growers, brewers, educators, and supporters to join us in promoting hops as a specialty crop in the Northeast, and to restore hops as the profitable agricultural industry that once thrived in this area for nearly 150 years. Sub-chapters were organized in 2001 in Maryland, New York, and New England and advised by Cornell Cooperative Extension of NY and the University of Vermont Crops and Soils Team. They have over 200 members across the Northeast and mid-Atlantic. Membership includes hops growers, brewers, homebrewers, historians, educators, and hops supporters of all kinds. Our Mission Statement The Northeast Hop Alliance is a broad based coalition established to explore the feasibility of re-establishing commercial specialty hops production in New York and the Northeast.

Goals for the Alliance include secure financial, scientific and community resources to support the commercial viability of commercial hops production in New York and the Northeast. Enhance the cultural heritage of hops production through education, agri-tourism, and architectural preservation.
Tom Snyder with the Ohio State University (OSU) South Centers Ohio Cooperative Development Center (OCDC) attended the March 2014 National Good Food Network (NGFN) held in Raleigh, North Carolina. In attendance were food hub staff, stakeholders, and technical support people from all over the United States and Canada.

Throughout the three-day event many knowledgeable speakers presented about current and future plans for the Food Hub industry. Also a number of session highlighted existing facilities.

The conference agenda included discussion on: Operations, Food Hub Models, Networks, Impacts, Food Access, Emerging, Business Planning, Funding and Financing, Processing, Markets, and Food Safety to name a few.

One tour had an excellent example of a worker-owner process, distribution, and store facility in North Carolina. Another facilities tour was a speaker talking about a facility in a session. He worked in a worker-owner incubator farm in California, where they had 80 worker-owners and sold more the 6 million dollar’s worth of food a year in the area and both of these were great models to be considered for developing food hubs in other parts of the country.

Tours and Information about street markets were also shared including: Weaver Street Food House in Hillsborough, NC. They have been in business for 25 years and have a unique co-op ownership structure with 18,000 consumer members and 150 employee owners. The Food House supplies over one-third of Weaver Street’s three food stores’ goods, including artisan bread, baked goods, prepared foods, and local meats. Food House enables the co-op to operate efficiently by consolidating food production in a central facility and by serving as a cross-dock facility to enable the cooperative to purchase directly from suppliers.

Other markets on the agenda were: Carrboro, Southern Village, and Hillsborough.

Two Facilities Showcased at the Conference:

- **PANAL MEMBER**
  - ALBA Organics, Salinas, CA
  - The Agriculture and Land-Based Training Association (ALBA) provides educational and business development opportunities for farm workers and urban farmers to grow, 3 out of 4 acres (3 out of 4 acres total) acres and 70 independent farms.
  - Farmer Education Program (FEP): ALBA is a common designed to train individuals in farm management and organic crop production practices with an emphasis on business success. Credit is available for the course through the University of California Extension’s CEUs.
  - Farm Business Incubator—Graduates of FEP may enter into a farmer apprenticeship program.

- **TOUR: Weaver Street Food House, Hillsborough, NC**
  - Just celebrated its 25th year, has a unique co-op ownership structure with 18,000 consumer members and 150 employee owners.
  - The Food House supplies over one-third of Weaver Street’s three food stores’ goods, including artisan bread, baked goods, prepared foods, and local meats.
  - Food House enables the co-op to operate efficiently by consolidating food production in a central facility and by serving as a cross-dock facility to enable the cooperative to purchase directly from suppliers.
  - Weaver Street Markets.

Map Includes 168 Regional Food Hubs, 2012
- One of the last outcomes of a regional food hub is to provide produce with access to larger volume markets or otherwise to create new marketing stations. - USDA
2013-2014 OCDC Seed Grants Awardees

The Ohio Cooperative Development Center awarded six Seed Grants for 2013-2014.

Applicants submitted proposals that were scored by a review committee and approved for a $3,000 Feasibility Study/Formation Grant or a $1,500 Implementation Grant.

Cooperative industries varied to include street markets, community markets, food hub, renewable energy, coffee, WV cooperative law revision.

The Ohio Cooperative Development Center is funded, in part, by an agreement between USDA Rural Development and The Ohio State University. All opinions, conclusions, or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the USDA.

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**Spotlight ==> FirstHand Cooperative (progress update)**

The FirstHand website continues to be our main online platform for sales and outreach. There are no issues to report. This summer FirstHand will have one student marketing intern, who will be responsible for creating and overseeing a more active marketing program that will revitalize the website and build our brand through social media. The program will be directed mainly at increasing CSA membership and sales at WVU. Starting in March, he took over management of our social media platforms, and his insight and enthusiasm for social networking have garnered more attention for FirstHand around campus. We are regularly being retweeted by other campus entities such at the WVU libraries, and now have followers in the greater fair trade, cooperative, and coffee world.

**Incorporation:** The membership/ownership campaign took on a new character this March when FirstHand incorporated officially as an LLC.

FirstHand held its first official Board of Directors meeting on April 19th. It was followed by a General Assembly and potluck. The event was attended by approximately 50 individuals. The Board discussed a number of issues and formed committees to begin to address those most pressing (see attached minutes document). At the general assembly, the Board was officially introduced to the FirstHand community, and presented general data on this year’s accomplishments, financials, and new goals.

In the next two months, the Board of Directors will compose bylaws articulating de facto membership guidelines for producers (farmers, students, investors, volunteers). We plan to create a “path to membership” for students that will allow them to become eligible for benefits like travel grants and Board Membership. We are conscious of the need to incorporate students while not compromising our ability to consistently meet our commitments in the US and Nicaragua (i.e. loan payments, farm subsidies).

**FirstHand CSA Program:** The FirstHand CSA program continues to operate, and currently has 54 members. In May the first round of shares will end, and we are planning a retention strategy that includes reaching out to members in person and by phone to encourage feedback and membership renewal. While CSA members are no longer eligible for member-ownership, we continue to see them as a critical community of interest that we must engage through events and outreach to advance our goals of supporting the cooperative movement in West Virginia, recruiting for travel to Nicaragua, etc.

Additionally, we are in the midst of meeting our major goal for the CSA program, which is to bring consumers coffee directly from our partner farm in Nicaragua. FirstHand has a drafted contract with coffee importer Etico for 25 bags of coffee at 150lbs each and is finalizing details. Between our sales at WVU and Mountain People’s Cooperative, we anticipate needing an additional shipment in late fall. The first shipment will arrive in late May to early June, in time to supply our summer CSA.

**Bylaws/Governance:** The Board will be responsible for composing bylaws in next two months that include guidelines for de facto membership, both responsibilities and rewards. Our primary focus will be on student membership, however, we will also discuss membership for farmers, consumer volunteers, and investors. While we are unable to widely offer ownership shares in the company, we will strive to create a governance structure that meaningfully incorporates all interested parties, and promotes a horizontal decision-making and management.

Finally, FirstHand has been in preliminary conversations with the West Virginia Food and Farm Coalition about how we could support an effort to change the cooperative legislation in the state of WV. As we build the relationship with WVFC, we are being introduced to more local organizations and individuals who are interested in growing the state’s movement. There are few clear objectives for potential partnerships thus far, but we are encouraged by the base of support for cooperativism in West Virginia and the possibilities for cooperation.
The Ohio Cooperative Development Center has been awarded continued funding for the upcoming 2014-2015 year.

We look forward to serving cooperative development efforts in Ohio and West Virginia as interest in cooperative development peaks interest around the country.

Thank you to the USDA for the support in the development of area cooperatives.

Christie Welch, OCDC Manager
Tom Snyder, OCDC Partnership Manager

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Are you considering starting a cooperative?
We can help!

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southcenters.osu.edu/cooperatives

Ohio State University South Centers

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