Ohio Cooperative Development Center

Insight into Current Cooperative Development

September 2015

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OCDC Year in Review
Ohio Cooperative Development Center: Year in Review

The Ohio Cooperative Development Center’s current program year will end on September 30, 2015 and what a year it has been! OCDC has seen some exciting developments over the past twelve months and is poised to continue supporting rural economic development throughout the region. Learn more about our year by exploring this edition of the OCDC newsletter!

Ohio Cooperative Development Center staff Hannah Scott, Kimberly Roush and Tom Snyder.

The Ohio Cooperative Development Center is supported by the United States Department of Agriculture and The Ohio State University South Centers.
Great River Organics, Inc.

What else do we need to be doing and how are we going to get it done to bring prosperity to the farmers? This question is an integral piece of the story of Great River Organics, Inc. (GRO), a cooperative of certified-organic farmers across central and north-central Ohio that aggregates, markets and distributes farm products. The cooperative, which can also be considered a regional food hub, currently includes seven member-farms and operates a Community Supported Agriculture program as well as a wholesale sales section out of a warehouse at the Columbus Produce Terminal.

GRO, whose tag-line has become “Farmer Owned. Farmer Grown.,” transitioned from a limited liability company to a cooperative in December, 2014 after discussions among the group that made them realize their goals of farmer prosperity would be best met through farmer-ownership. It was to support this transition that GRO applied to the Ohio Cooperative Development Center’s (OCDC) Seed Grant program.

GRO was awarded an implementation seed grant in the winter of 2014, which provided financial resources for the group to obtain professional services. Michael Jones, a GRO board member, explained, “I think that the seed grant opportunity really was a key in helping us with the organization and some of those foundational pieces [of the co-op].”

Through their seed grant award, GRO worked with an attorney to draft bylaws that help guide their organization, including the integral concept of how decision making occurs in the business. Working with an accountant was useful for outlining the business’s financial plan as well as for setting up their accounting systems in order to reflect their new cooperative nature. Jones explained that part of the value in the project came not only from securing these services, but cultivating relationships with professionals who continue to provide valuable advice. Finally, the award was also used to purchase new marketing materials that helped get the word out about the business, including posters, postcards, t-shirts, and the signs that now hang above the co-op’s warehouse. “All of that,” Jones stated, “has been very helpful in building the underpinnings of the business.”

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The OCDC Seed Grant program is a reimbursement, matching grant program that provides new and emerging cooperatives with financial support. The program is supported with funds from the U.S. Department of Agriculture Rural Cooperative Development Grant. For more information, please contact Kimberly Roush at roush.143@osu.edu or 740-289-2071 x 232.
OCDC Works to Expand Cooperative Model

The first cooperative in the United States, a mutual insurance company known as the “Philadelphia Contributionship for the Insurance of Houses from Loss by Fire,” was founded in 1752. Today, U.S. co-ops work in a variety of industries and are particularly active in agriculture, food, finance and energy. (Zueli & Cropp) The Ohio Cooperative Development Center (OCDC) provides services to rural Ohio and West Virginia’s new and emerging cooperatives regardless of their industry. During the past year, OCDC has worked with a number of projects that expand the model to areas where cooperatives are less active, including the emerging Ohio hops industry and inland waterway shipping.

Ohio Hop Growers Guild

Researchers at The Ohio State University (OSU) have been working since 2012 to identify hops production techniques and plant varieties that can be used by Ohio farmers looking to enter the state’s growing hops market. It is estimated that Ohio would need to produce approximately 6,000 acres of hops to meet the needs of the craft brewing industry in the state. Current Ohio hop production is approximately 100 acres, which is up significantly from the less than 20 acres grown in 2011. Along with Brad Bergefurd, the OSU Extension Horticulture Specialist leading hops research at OSU, OCDC provided expertise and guidance to Ohio hop growers regarding the cooperative model and the role the model might play in the growing hops industry. As a result, the Ohio Hop Growers Guild (OHGG) was formed in late 2014 to provide networking, training, information, education, advocacy and access to resources for Ohio growers. The first member meeting and election of directors was held at the 2015 Ohio Hops Conference & Trade Show, sponsored in part by The OSU South Centers. For more information about Ohio hops please contact Brad Bergefurd at bergefurd.1@osu.edu. For more information about the OHGG visit ohgg.org.

Shipping on the Inland Waterways

The Ohio Cooperative Development Center and the International Trade Assistance Center (ITAC) at The Ohio State University South Centers are working with organizations to develop a cooperative shipping initiative in order to provide greater access to the inland waterway transportation system via the Ohio River. Due to issues of volume, small and medium businesses have limited access to barge shipping, and container shipping along rivers is limited for many businesses.

The current initiative intends to organize collective sourcing and purchasing for barges, including the potential for bulk and containerized cargo. Collectively, the cooperative will likely be able to provide adequate volumes to support shipping for small-medium businesses and containerized cargo. The potential benefits to cooperative members across industries could include decreased logistics costs, greater access to collective purchasing for cost savings, supply chain integration, and multi-state collaboration. For more information about this initiative, please contact Hannah Scott at
Developing a Cooperative Food System

The Ohio Cooperative Development Center (OCDC) has developed extensive experience in the development of cooperative food and agriculture enterprises. OCDC worked with a number of local and regional food enterprises in the 2014-2015 program year.

Local and regional food cooperatives or cooperative-like businesses directly contribute to economic development through job creation and business generation. They also serve a vital function of providing market outlets for agricultural producers, allowing these producers to realize economic benefits like increased sales. In addition, locally-based businesses create opportunities for community members to purchase locally or regionally produced food, sometimes in areas with limited access to such products.

OCDC has contributed to the development of local and regional food systems throughout Ohio and West Virginia by providing technical assistance to a number of local and regional food cooperative businesses during the year.

The Ohio and West Virginia Food Hub Network, facilitated by OCDC, convenes food hub and incubator training farm managers, developers and other stakeholders along with technical assistance providers to encourage networking and shared learning opportunities. The network met four times throughout the year to learn about successful hub models, financing for local food cooperatives, value-chain linkages, and more. If you are interested in being part of the Ohio and West Virginia Food Hub Network in an effort to scale up your new or emerging food hub or incubator training farm, call 740-289-2071 x227, or email scott.1220@osu.edu.

The OCDC seed grant program supported nine projects this year, including projects at a farmers market, food hubs, and local food retail stores that included membership and finance campaigns, work with legal and accounting professionals, and the provision of marketing materials.

Specialists at OCDC provided many hours of one-on-one technical assistance to local and regional food cooperative businesses including farmers’ markets, community grocery stores, agricultural producers, and others with projects such as bylaw development, board training, and exploring cooperative opportunities, among other activities.

Would you like assistance developing your cooperative local food business or just want to learn more about the cooperative model? Visit OCDC at southcenters.osu.edu/cooperatives.
October is Co-op Month

Since 1964, October has been celebrated as Co-Op Month across the United States. The month is a chance for cooperative businesses, associations, and supporters to recognize and promote the cooperative business model.

According to Cooperative Network, the co-op business model is widespread throughout the U.S., representing approximately 29,000 businesses with 100 million memberships. Co-ops exist in a myriad of industries including finance, agriculture, utilities, health care, insurance, and many more.

Consider joining the celebration this year by shopping at a local cooperative, educating customers or members about the co-op business model, promoting co-ops in your community, or even by becoming a member-owner of a cooperative!

Mark Your Calendars!

Tuesday, November 17, Columbus, Ohio.

Ohio & West Virginia Food Hub Network Meeting

Please contact Hannah Scott at scott.1220@osu.edu or 740-289-2071 x227 if you are interested in participating in the network.

Thursday November 19

Webinar, “Food Hubs that are Working in Ohio,” by Hannah Scott and Brad Bergefurd. Sponsored by the Ohio State University Extension Direct Marketing program.

Webinar available at carmenconnect.osu.edu/foodhubsinohio/