Ohio Cooperative Development Center

Insight into Current Cooperative Development

May 2015

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Ohio Cooperative Development Center
welcomes new program manager

Hannah Scott began working as the program manager of the Ohio Cooperative Development Center (OCDC) at Ohio State University South Centers on January 26, 2015.

Hannah was raised in Georgetown, Ohio, where she and her family continue to own and operate their family farm. She is a 2013 graduate of Duke University where she studied sociology, psychology and documentary studies. Hannah was most recently a graduate associate in Ohio State’s School of Environment and Natural Resources. She is earning a Master of Science in Environment and Natural Resources with a specialization in rural sociology. Hannah is also active with the Ohio Tobacco Museum, the Duke University Center for Documentary Studies Youth Advisory Council, and Ohio Farm Bureau.

Christie Welch, prior program manager of OCDC, moved into the role of Direct Marketing Specialist with OSU Extension. She remains based at the OSU South Centers, working with individuals, groups, and businesses interested in direct marketing their food and agriculture products. We thank Christie for all of her hard work with the Cooperative Development Center and wish her luck in her new role!
OCDC Success Story: Our Harvest Cooperative

Our Harvest Cooperative is a collaborative effort started by a small, dedicated group – namely Phil Amadon, Ellen Vera, and Kristen Barker. In the spring of 2012, they formed Our Harvest Cooperative, a worker-owned cooperative focusing on sustainable agriculture and local food distribution. All have strong backgrounds in the labor movement: Ellen has been working for the United Food & Commercial Workers for years, and Phil was highly involved with unions throughout his career as a railroad mechanic. They wanted to find a way to help create family-sustaining jobs that could transform communities. When the United Steelworkers announced a historic partnership with Mondragon to launch union co-ops in the United States, the group felt it was just the ticket. Mondragon is the world’s most successful network of worker-owned co-ops. In the last 60 years it has grown from 5 worker owners to over 80,000. It is a model of a great nexus composed of many connected entities, not an isolated cooperative doing its own thing. The Our Harvest founders connected with Mondragon’s North American delegate and the United Steelworkers; they were impressed by Mondragon’s structure and wanted to bring that concept to life in Cincinnati.

Our Harvest contacted the Ohio Cooperative Development Center (OCDC) at the Ohio State University (OSU) South Centers to do a feasibility study. Tom Snyder, Partnership Program Manager, OCDC, and Brad Bergefurd, Horticulture Specialist, Horticulture Extension Program, conducted the study. Part of that study was a survey of growers from surrounding counties, a 150 mile radius around Cincinnati, to see if they were interested in working with Our Harvest, if they wanted to expand their production, if they wanted to scale down production, and what their struggles were among other things. Tom and Brad surveyed growers by phone and in small focus groups. They gathered information that was used to develop Our Harvest’s initial business plan. The feasibility study was instrumental in pointing out the best opportunities for success. If Our Harvest had started only with food aggregation and distribution, it would have been a real challenge because they did not have enough mid-sized growers to work with at that time. Tom and Brad suggested that Our Harvest start their own farm, which is a big piece of what Our Harvest does that is different than a lot of traditional food hubs.

According to Kristin Gangwer, Food Hub Manager, Our Harvest Cooperative, “Early in development, Tom and Brad identified some gaps in the system and encouraged us to be the solution to those gaps. One gap involved the need for training the next generation of growers. In partnership with Tom and Brad from the OSU South Centers, who had done a lot of work with the Ohio Apprenticeship Council in developing the curriculum for that early program, Our Harvest started a pilot program. The Apprenticeship Pilot Program had two graduates from Our Harvest in 2012 that went through the program and worked on the farm full-time. After the pilot, we partnered with Cincinnati State University to be the practicum site for their Sustainable Agriculture Management Certificate Program – a connection that came as a result of our previous farmer training efforts, which were initiated by Tom and Brad. To help increase farmer training opportunities, Our Harvest has now created a nonprofit (the Our Harvest Research and Education Institute) to lead these efforts.”

Kristin continues, “The information gathered from the feasibility study was also used to develop the original business plan. We started trying to capitalize the business in 2012. We also began a small CSA from our leased property in College Hill, the Bar Farm, that year. I came on board with some other staff at the end of 2012. We worked with Christie Welch, OSU OCDC, to develop a plan for the aggregation, marketing, and distribution work for our produce and the produce from many of the other local growers as part of the food hub side of the initiative. In 2013, we grew our CSA to about 200 members throughout that season, growing on 8 acres and developing wholesale accounts. Last year in 2014, we grew our CSA program to approximately 350 members. We grew produce on 15 acres, increased our wholesale accounts, and developed a lot of great relationships. We even started selling to Whole Foods and worked with other local producers to distribute value added items like honey and salsa.”

Reflecting on growth, Kristin shares, “We started farming on a second farm property last year, and this year we’ll be growing on a total of about 20 acres. We are planning to increase our CSA, which we call Our Weekly Harvest Box, to about 500 members. Plans are to increase our wholesale sales five fold and we are starting to work with other farmers to incorporate their produce into all of our sales channels. We are also moving our packing and distribution work into a standalone, centrally-located warehouse in Cincinnati, which will be very helpful.”

Kristin expresses appreciation for OSU input, “What we have gained by working with Tom Snyder, Brad Bergefurd, and Christie Welch has been invaluable – from the creation of the co-op, the feasibility studies, and the business planning, to the ongoing guidance and resources they have shared. Tom, Brad, and Christie provide support whenever we need them, and they continue to serve as great confidants and cheerleaders as we navigate this process.”
Seed Grant Program Helps New and Emerging Cooperatives

OCDC administers a reimbursement seed grant program available to groups interested in exploring or growing a cooperative.

The Ohio Cooperative Development Center (OCDC) at Ohio State University South Centers offers reimbursement seed grants to groups interested in exploring or growing a cooperative. Over the last five program years, OCDC has awarded over $60,000 to over 25 groups. Seed grants have been used to provide training regarding cooperative governance, obtain professional assistance with cooperative formation including legal reviews of bylaws and articles of incorporation, and development of marketing tools and materials, among other activities.

Currently, the seed grant program for 2014-2015 is still accepting applications, with limited funds. Groups interested in forming a new cooperative may request up to $1,500 for research and early planning, feasibility study activities, or formation services. Eligible costs may include legal and/or professional fees, focus groups, development of articles of incorporation, and financial projections, among other preformation work. Groups that are already incorporated as cooperatives or member controlled businesses may request up to $3,000 for assistance with expansion into new markets and/or enterprises. Examples of eligible expenses include marketing and promotions, contract services, training and development, accounting systems, bylaw completion, and contractual document development, among others.

This is a reimbursement program; recipients must provide 35% matching funds for project costs. Projects must be completed prior to June 26, 2015 and proper documentation provided to OCDC by July 31, 2015 for reimbursement.

For further information about the seed grant program, email Kimberly Roush at roush.143@osu.edu, call 740-289-2071 x232, or go to southcenters.osu.edu/cooperatives under the Seed Grants tab to download an application.

West Virginia Amends Cooperative Law

The West Virginia Food and Farm Coalition (WVFFC) was awarded a seed grant from the Ohio Cooperative Development Center in 2014 for use toward legal work, workshops, and network building aimed at informing cooperative statute updates in West Virginia. In addition, OCDC staff acted as an informational resource regarding cooperatives and cooperative development for WVFFC. This background work helped inform the advocacy efforts of the WVFFC around cooperative policy updates.

On March 24, 2015, West Virginia Governor Earl Ray Tomblin signed Senate Bill 352, which amends Chapter 19 Article 4 of the West Virginia Code, the state law governing cooperatives. The new law expands the areas in which cooperatives in the state may operate, among other changes. Previously, West Virginia cooperatives were limited to agricultural producer and related cooperatives. As a result of these amendments, cooperatives may also carry out certain qualified activities toward the provision of goods and services such as food and beverages, arts and crafts, woodworking, furniture-making, and recycling, composting and repurposing materials.

For more information about cooperative development in West Virginia, email Hannah Scott at scott.1220@osu.edu, call 740-289-2071, or go to southcenters.osu.edu/cooperatives.
**OH & WV Food Hub Network**

USDA defines food hubs as enterprises that aggregate locally sourced food to meet wholesale, retail, institutional, and even individual demand. The concept, and efforts to create food hubs in local communities, has gained a lot of interest in Ohio and West Virginia. The notion of producing more locally grown and processed food and creating new jobs and businesses is of interest to many communities. The opportunity is great. Approximately eight percent of the food purchased in our states is grown or processed outside our states or even outside our country. In addition, in state food production has not significantly increased. Without a significant increase in food production, enterprises that aggregate locally sourced food to meet wholesale, retail, institutional, and even individual demand, will find success a challenge. A webinar presented in March 2015 by the National Good Food Network released findings that indicated that food hubs using a wholesale and even a hybrid of wholesale and direct-to-consumers sales models need $1.19 to $1.21 million in annual sales to break even and $2.36 to $2.4 million in annual sales to become viable. These are high marks that communities and groups need assistance to achieve.

The Ohio Cooperative Development Center (OCDC) at The Ohio State University South Centers is leading an effort to work with new and emerging food hubs and incubator or training farms. The two state Ohio and West Virginia Food Hub Network was formed in early 2014 and currently meets face-to-face four times annually. Early meetings were all about getting to know each other and assessing the needs of food hub and training farm efforts. Subsequent and future meetings have been and will be about addressing those identified needs. Members also participate in other related and network sponsored projects such as: identifying network, hub, and training related grant options, participating in list serve emails, and in viewing webinars.

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.
Ohio Cooperative Development Center: Fifteen years of success!

The Ohio Cooperative Development Center (OCDC) was first established at Ohio State University’s South Centers (OSU SC) in Piketon, Ohio in 2000 when initial funding was awarded from the United States Department of Agriculture (USDA)’s Rural Cooperative Development Grants program. This nationwide program attracts competing proposals from a large majority of land grant universities during each annual cycle. It is a testament to the excellent work and program success of the OCDC staff that OSU’s proposals have been very competitive and successful every year. Annual funding renewals through USDA spanning fifteen years have permitted the continual operation of OCDC.

The mission of OCDC is to “enhance rural economic development in Appalachian Ohio and other rural areas of Ohio and West Virginia by creating jobs and achieving stronger economic growth through cooperative development.” OCDC has consistently provided strong returns on USDA’s investment by assisting new and emerging cooperatives to form and continue to succeed. During the past five years, West Virginia University Extension has become a partner with OCDC to provide cooperative development in many areas of the Mountain state, especially for cooperative local foods businesses.

OCDC is strategically located in Piketon, Ohio, a part of the rural, Appalachian area of the state, to have maximum economic impact for rural development and the areas that are in most need. OSU SC also houses several business development programs, research and related extension service programs, and facilities, which are all used to support cooperative business development.

OCDC’s continued success has been achieved by:

- Partnering with all other OSU South Centers’ programs including Aquaculture, Horticultural Crops, Soil and Water Resources and Business Development Network programs and engaging the research and Extension expertise of the co-located staff members
- Targeting program services toward interested groups and newly incorporated cooperatives including:
  - Farmer’s markets in southeast Appalachian Ohio and West Virginia
  - State-wide fruit and vegetable wholesale auction cooperatives
  - Manufacturing/industrial cooperative expansion with new regional formations
  - Cooperative food hubs
- Developing strong partnerships with other related community and economic development stakeholders
- Linking services/funding from other agencies and private entities to cooperatives
- Developing cooperation-among-cooperative linkages
- Facilitating allocation and completion of seed grant funding for groups in the early and expanding stages of cooperative development.

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