welcome >>>
March Mix!
Welcome to the Ohio Cooperative Development Center Monthly Newsletter!

We are sending this newsletter to keep you informed about all of the exciting cooperative development events and successes in Ohio and West Virginia.

We hope you will look forward to receiving this informative newsletter each month. Our goal is to continue to share important and useful information with all of our cooperative development partners.

If you have an article idea or would like to write something yourself, please email Kimberly Roush at roush.143@osu.edu. New articles and ideas are always welcome.

On behalf of all the contributors to this issue, we welcome you!

Farmers’ Markets Conference
Fourth Year Event a Resounding Success

Nearly 100 attendees traveled from all corners of Ohio to attend the 2013 Ohio Farmers’ Markets Conference in Columbus, Ohio. The Ohio State University South Centers collaborated with the Farmers’ Market Management Network to coordinate the event on March 11 and 12 at the Nationwide and Ohio Farm Bureau 4-H Center. Attendees included farmers’ market managers, vendors, and community leaders representing more than 600 farmers’ market vendors.

In its fourth year, the conference was filled with information supporting the theme, Keeping It Fresh: Celebrating Ohio’s Diverse Markets. Farmers’ market managers and vendors-producers heard presentations on a variety of topics including:

- How local policymakers help grow farmers’ markets
- Results of the Market Umbrella and OSU Extension Cuyahoga County Farmers’ Market Study
- How to accept Supplemental Nutrition Assistance Benefits (SNAP; formerly known as the federal food stamp program) and the available funding for accepting SNAP for farmers’ markets new to this program
- Winter farmers’ market considerations
- Creating farmers’ market booth displays that sell
- Food Safety Modernization Act updates

- Many round table discussions where attendees learned from each other
- And a site tour of Celebrate Local at Easton Town Center

In addition to the OSU South Centers, the Farmers’ Market Management Network, and the OSU College of Food, Agricultural, and Environmental Sciences, the generous support of the conference sponsors allowed for an excellent line-up of presentations and speakers. Sponsors include the Easton Farmers’ Market, Zen Genius, Ohio Farm Bureau Federation, World Pay, and Wichert Insurance.

In its fourth year, the event continues to receive positive feedback from participants. Comments included: “Great content and perspective,” “always great to hear ideas from other managers,” “great exchange of ideas,” “fresh, educational, entertaining,” and “great conference, great speakers.”

Planning has begun for the 2014 statewide Ohio Farmers’ Markets Conference. If you have ideas you would like included or would like more information about growing your Ohio farmers’ market or cooperative, contact Christie Welch through email at welch.183@osu.edu or call her at 740-289-2071 x-234. Also visit http://ohiofarmersmarkets.osu.edu.

Nearly 100 attendees represented over 600 farmers’ markets vendors
Co-op Formation

Typical Steps to Cooperative Formation

- Identify the group’s general purpose/project(s)
- Identify start-up members and interim board/officers/leaders
- Answer basic by-law questions
- Create/complete membership application form
- Determine if group meets basic cooperative success conditions:
  - Identify common needs
  - Identify critical needs
  - Have an acceptable mission/purpose for all members
  - Identify a sustainable business model
- Apply for OCDC pre-formation seed grant (if needed)
- Search for other funding options (if needed)
- Naming and incorporating the cooperative:
  - Check name availability on OH Secretary of State website
    http://www2.sos.state.oh.us/pls/bsqry/f?p=100:1:718897014115800
  - Check name availability on WV Secretary of State website
    http://www.sos.wv.gov/business-licensing/business/Pages/NameAvailability.aspx
  - File initial OH Articles of Incorporation – Form 532
  - File initial WV Articles of Incorporation – Form cd-1
    http://www.sos.wv.gov/business-licensing/Pages/FormIndexforBusinessFilings.aspx
- File for tax ID number
- Set-up checking account under your new tax ID number
- Set-up cooperative member website
- Start basic operations
- Apply for OCDC seed implementation grant (if needed) – must be a formed cooperative
- Complete by-laws
- Complete business plan
- Complete operational budgets for:
  - Start-up, one year, two years, and three years
- Determine training/staffing needs and solutions
- Form your permanent board (schedule basic board training ASAP)
- Continue operations supported by continued strategic planning
- Consider membership in other established cooperative

Website Domain Name

Get a .coop Domain Name for your cooperative website

You are eligible for a .coop if your organization was formed as and/ or is considered a cooperative under applicable local law; an association comprised of cooperatives; an organization that is committed to the seven cooperative principles; an organization that is majority controlled by cooperatives; or an entity whose operations are principally dedicated to serving cooperatives.

Having a .coop domain helps to strengthen the global cooperative movement by providing a tool to promote your cooperative identity on the internet.

For more information or to purchase your .coop domain, go to www.nic.coop.
Growing Growers: Pilot Apprenticeship Program Completed in 2012

Expanding access to nutritious, locally grown Ohio food is important not only to help improve the health of consumers, but also to decrease unemployment, and improve economic vitality in rural and urban areas. In response to the escalating demand for fruits and vegetables grown closer to home, several Ohio groups partnered to address the growing need.

In 2011, the Non-Profit Local Foods Network, under the direction of Rick Dinovo, president of Central Marketing, and associates formed an Education and New Growers Support Committee, chaired by Steve Fortenberry of Goodness Grows, a faith-based non-profit. This committee, consisting of member representatives from Goodness Grows, OSU Extension, Central Marketing, Enright EcoVillage, Findlay Market, Ohio Cooperative Development Center, and the United Food and Commercial Workers met regularly to discuss solutions to the need for more local specialty crop growers.

The committee put together a program designed to educate and support new specialty crop growers as they enter the farming sector. One part of that plan was the creation of a Specialty Crop Growers Apprenticeship Program. The program was submitted to and approved by the Ohio State Apprenticeship Council for implementation. The first apprenticeship class began in April 2012 with satellite locations in the Cincinnati and Youngstown areas.

The Specialty Crop Growers Apprenticeship Training Program consisted of 144 hours of technical classroom instruction and 2000 hours of on-the-job-training (OJT) at a farm location. Apprentices were to be paid an hourly rate in supervised activities for 30 to 40 hours per week until OJT hours were completed. Classroom training occurred 4 hours a week for 9 months. The effort was coordinated by Charles Griffin with Enright EcoVillage, The Findlay Market, and Our Harvest Cooperative in Cincinnati; Christie Welch, Farmers’ Market Specialist at The Ohio State University South Centers; Greg Bowman with Goodness Grows in North Lima; and Chet Bowling, OSU Extension Community Development Specialist.

Brad Bergefurd, Horticulture Specialist at The OSU South Centers, provided online technical instruction in research-proven techniques of planning seasonal crop production, maintaining equipment and facilities, preparing growing medium for planting, harvesting and packing produce for delivery, government regulations compliance, and product marketing strategies. Also included in the online technical training were business and cooperative development related topics provided by the Ohio Cooperative Development Center Staff and other guest speakers regarding topics such as: safety requirements, recordkeeping, taxes, financing and loan options, land acquisition, business planning, cooperative formation, bylaws development, board of directors training, and cooperative purchasing.

Each apprentice received a certificate of completion as a journeyperson from the Ohio State Apprenticeship Council and the Bureau of Apprenticeship and Training, U.S. Department of Labor.

Efforts continue to develop as the NPLFN looks at partnering with two-year educational degree-granting institutions and commercial trade schools to initiate a two-year Specialty Crop Growing Program.

Q: What are cooperatives-among-cooperatives?
A: Many cooperatives, especially local associations, are too small to gather the resources needed to provide all the services their members want. By working with other cooperatives (through federated cooperatives, joint ventures, marketing agencies in common, and informational networks), they pool personnel and other assets to provide services and programs on a cooperative basis at lower cost. (USDA Coops 101)
Business Structures... Part 1
Which Will Work Best for You

Before you can decide how you want to structure your business, you’ll need to know your options.

This is the first of a three-part series about choosing the right business structure.

Here’s a brief rundown on the most common ways to organize a business:

Sole Proprietorships and Partnerships

For many new businesses, the best initial ownership structure is either a sole proprietorship or -- if more than one owner is involved -- a partnership.

Sole Proprietorships

A sole proprietorship is a one-person business that is not registered with the state like a limited liability company (LLC) or corporation. You don’t have to do anything special or file any papers to set up a sole proprietorship -- you create one just by going into business for yourself. Legally, a sole proprietorship is inseparable from its owner -- the business and the owner are one and the same. This means the owner of the business reports business income and losses on his or her personal tax return and is personally liable for any business-related obligations, such as debts or court judgments.

Partnerships

Similarly, a partnership is simply a business owned by two or more people that haven’t filed papers to become a corporation or a limited liability company (LLC). You don’t have to file any paperwork to form a partnership -- the arrangement begins as soon as you start a business with another person. As in a sole proprietorship, the partnership’s owners pay taxes on their shares of the business income on their personal tax returns and they are each personally liable for the entire amount of any business debts and claims.

Sole proprietorships and partnerships make sense in a business where personal liability isn’t a big worry -- for example, a small service business in which you are unlikely to be sued and for which you won’t be borrowing much money for inventory or other costs.

Limited Partnerships

Limited partnerships are costly and complicated to set up and run, and are not recommended for the average small business owner. Limited partnerships are usually created by one person or company (the general partner), who will solicit investments from others (the limited partners).

The general partner controls the limited partnership’s day-to-day operations and is personally liable for business debts (unless the general partner is a corporation or an LLC). Limited partners have minimal control over daily business decisions or operations and, in return, they are not personally liable for business debts or claims. Consult a limited partnership expert if you’re interested in creating this type of business.

Corporations and LLCs

Forming and operating an LLC or a corporation is a bit more complicated and costly, but well worth the trouble for some small businesses. The main benefit of an LLC or a corporation is that these structures limit the owners’ personal liability for business debts and court judgments against the business.

What sets the corporation apart from all other types of businesses is that a corporation is an independent legal and tax entity, separate from the people who own, control and manage it. Because of this separate status, the owners of a corporation don’t use their personal tax returns to pay tax on corporate profits -- the corporation itself pays these taxes. Owners pay personal income tax only on money they draw from the corporation in the form of salaries, bonuses, and the like. Like corporations, LLCs provide limited personal liability for business debts and claims. But when it comes to taxes, LLCs are more like partnerships: the owners of an LLC pay taxes on their shares of the business income on their personal tax returns.

Corporations and LLCs make sense for business owners who either run a risk of being sued by customers or of piling up a lot of business debts, or have substantial personal assets they want to protect from business creditors.

Nonprofit Corporations

A nonprofit corporation is a corporation formed to carry out a charitable, educational, religious, literary, or scientific purpose. A nonprofit can raise much-needed funds by soliciting public and private grant money and donations from individuals and companies. The federal and state governments do not generally tax nonprofit corporations on money they take in that is related to their nonprofit purpose, because of the benefits they contribute to society.

Cooperatives

Some people dream of forming a business of true equals -- an organization owned and operated democratically by its members. These grassroots business organizers often refer to their businesses as a group, collective, or co-op -- but these are often informal rather than legal labels. For example, a consumer co-op could be formed to run a food store, a bookstore, or any other retail business. Or a workers’ co-op could be created to manufacture and sell arts and crafts. Most states do have specific laws dealing with the set-up of cooperatives, and in some states you can file paperwork with the secretary of state’s office to have your cooperative formally recognized by the state. Check with your secretary of state’s office for more information.

So which structure is right for your cooperative? For the right cooperative structure -- corporation, LLC, partnership, or sole proprietorship -- it depends on who will own your business and what its activities will be. When you start a business, you must decide whether it will be a sole proprietorship, partnership, corporation, or limited liability company (LLC). Which of these forms is right for your business depends on the type of business you run, how many owners it has, and its financial situation.

No one choice suits every business: Business owners have to pick the structure that best meets their needs. Several of the most important factors to consider are the potential risks and liabilities of your business, the formalities and expenses involved in establishing and maintaining the various business structures, your income tax situation, and your investment needs.

To learn more about the pros and cons of each business structure, read the Business Structures: the Pros and Cons Chart in Part 2 next month.

David Hahn, Professor Emeritus of Agricultural, Environmental, and Development Economics at The Ohio State University.
Foods Systems Profile Portal...

North Central Foods Systems

Foods Systems Portal is a Free Resource

http://www.foodsystems.wisc.edu/

The production, consumption, distribution, and disposal of food are critical parts of our economy, community well-being, and family health in the Midwest. This Food Systems Profile provides an overview of existing data across a broad scope of food systems activities, documents how key indicators are changing over time, and serves as a baseline for community leaders and educators to identify opportunities for growth or expansion in regional food systems. Data for this profile was accessed from existing secondary data sources including the US Census of Agriculture and the United States Department of Agriculture. The regional average includes: Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

The Food Systems Profile Project was driven by a growing interest in food systems as a community economic development tool in Wisconsin and the nearby states in the Upper Midwest. As capacity for food systems work increases, educators have expressed a need for access to sources of data to inform community planning and programming on this topic and to serve as a baseline for measuring the progress of local initiatives. While sources of information are available through Extension already on specific food systems topics, such as agricultural production or food insecurity, no comprehensive data tool exists to support holistic planning around food systems (considering various aspects of the food system from production to processing to consumption and disposal) as a whole.

The goal of this project was to develop and publish an online food systems profile tool using existing secondary data sources to:

- Help county-based educators and community leaders better understand the local/regional food system in a systematic way in the North Central Region.
- Understand how key indicators are changing over time.
- Identify opportunities for growth or expansion in regional food systems through the use of food and agricultural industry cluster analysis.

This project resulted in the development of several important educational outputs including: food systems profiles for each county in the region, a worksheet to help educators use the profiles, regional maps, a food systems resource list, and a web based portal to help educators easily access the data. While this portal is not fully launched you may access it at http://www.foodsystems.wisc.edu/. The project also serves as a unique example of successful implementation of the Wisconsin idea through collaboration with partners across the twelve state region, specialists, county and campus based faculty. The project is currently being piloted by several colleagues who served on the advisory committee and the results of this pilot will be used to improve the tool and evaluate its effectiveness. (Source: http://foodsystems.wisc.edu/)
Brandy Brabham,  
WVU Extension Agent—  
Roane County,  
Agriculture and Natural Resources

and

Travis Cullen,  
WVU Extension Agent—  
Roane County,  
Community Economic Workforce  
Development

“Travis Cullen and I are working with the Mid-Ohio Valley Growers Association. We adopted by-laws on February 19 and elected a board of growers to operate the association, after conducting a quasi-feasibility study to determine the amount of interest. We have an application developed, have product-specific targets and are currently vetting customers from local schools, to senior citizens, to local restaurants. We have a $12,000 Specialty Crop Block Grant to market our Mid-Ohio Valley Edibles (MOVE) brand to consumers this year as well. We have a very small membership, but hope to expand.”

Seed Grants Still Available for New and Emerging Cooperatives

The Ohio Cooperative Development Center (OCDC) at The Ohio State University South Centers is offering reimbursement seed grants to groups interested in exploring or growing a cooperative.

Groups interested in forming a cooperative may request up to $1,000 for research and early planning, feasibility study, and formation services. Examples include legal and/or professional fees, focus groups, development of articles of incorporation, financial projections, and other feasibility and/or formation work.

Incorporated cooperatives or member-controlled businesses may request up to $2,000 for assistance with the expansion of the cooperative into new markets and/or enterprises. Examples of eligible expenses include marketing and promotions, contract services, training and development, accounting systems, bylaws completion, and contractual document development.

Recipients must provide 25% matching funds for project costs with their own resources. This is a reimbursement program and the project must be completed and proper documentation provided for reimbursement.

If your existing or emerging cooperative is interested in applying for this program, email Kimberly Roush at roush.143@osu.edu, call 740-289-2071 x232, or go to http://ocdc.osu.edu under the Seed Grants Tab to download an application.

Submit application  
by May 31!
Finding An Agent That's Right For You

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(Source:
www.rurdev.usda.gov/rbs/pub/cir-60.pdf)

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Growing Growers—Apprenticeship
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Veterans to Farmers Training

Local Food Hub Workshop
April 10, 2013
Meeting for stakeholders working on growing local growers for workforce, business, and economic enhancement through regional food hub development.
OSU South Centers, Endeavor Center, Room 160, 1862 Shyville Road, Piketon, OH 45661
8:30 to 9 a.m. Breakfast. Program begins at 9 a.m. and ends at 3:30 p.m.
RSVP to Kimberly Roush at roush.143@osu.edu or call 740-289-2071 x232.

coming soon >>>

final thoughts...

Agribusiness faces many challenges in today’s economy. The role of cooperatives as a critical dimension of market structure in the future of agriculture is a vital consideration.

As new forces are impacting the farm economy, agricultural cooperatives are an important option for this dynamic environment.

Cooperatives are user-driven businesses that have contributed greatly to the development of one of the world’s most productive and scientific-based agricultural systems. They have played an important role in strengthening market access and competitive returns for independent farm operators during the 20th century.

They adapted their operations to agricultural technological innovations, such as the use of fertilizers, plant and livestock breeding, agricultural mechanization, electricity and other new sources of energy, and to new information systems. The rapid pace of innovation in information technology is making the world smaller and altering forever the way business is conducted. Consolidation of agribusinesses, food manufacturers, and food retailers continues at an unprecedented rate, resulting in fewer, larger buyers that effectively control terms of trade.

These businesses demand more from suppliers in specific product attributes related to volume, timing, and costs. The need to add value and differentiate products from those of competitors is now accepted by all levels of agribusiness. (Source: www.rurdev.usda.gov/rbs/pub/cir-60.pdf)

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