

Ohio Cooperative Development Center

Insight into Current Cooperative Development

May 2016

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Co-op spotlight: Preston Growers

2016 Cooperative Leadership Forum

OCDC Provides Cooperative Education

What Makes Co-ops Different?



THE OHIO STATE UNIVERSITY

COLLEGE OF FOOD, AGRICULTURAL,
AND ENVIRONMENTAL SCIENCES

**Brought to you from
Ohio State University South Centers
Ohio Cooperative Development Center**

The Ohio Cooperative Development Center works with new and emerging cooperatives and cooperative-like businesses in rural Ohio and West Virginia in an effort to support economic development. The center provides services and resource linkages, including formation counseling, member education, bylaw development, board training and consultation and assistance with feasibility studies, strategic plan development, business planning, and policy development. OCDC strives to provide services based on the individual needs of clients and to develop an ongoing relationship with clients to ensure their continued success. For more information, visit southcenters.osu.edu/cooperatives, call 740-289-2071 x227, or email scott.1220@osu.edu.

OCDC Assists Co-ops through Seed Grant Program

Each year, OCDC awards mini-grants to new and emerging cooperatives that are forming or expanding. The funds can be used to secure technical assistance, conduct research, and develop new marketing materials, among other uses. This year, OCDC awarded approximately \$12,000 to projects across the region, including:



- Legal review and development of marketing materials for a cooperative online farmers' market
- Marketing material development for a cooperatively-structured community agricultural enterprise
- Education and outreach on the co-op model and cooperative principles for the staff, members, and public of a co-op food store
- Legal review and market research for an agricultural producer organization
- Research and early planning for a cooperative food enterprise

welcome!

to the Spring 2016 Edition of the Ohio Cooperative Development Center's newsletter! We've been busy at the center providing technical assistance to emerging co-ops like the Preston Growers Co-op, providing co-op education, expanding our own co-op knowledge, and deploying resources to help develop our region. Learn more about our efforts throughout this newsletter and by watching the following video from *Vegetable Growers News' VGNTv*.



Click on the photo above to be redirected to a video by VGNTv featuring OCDC Program Manager, Hannah Scott on establishing cooperatives.

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

Preston Growers Co-op

A group of farmers in Preston County, West Virginia is working together to get local food into local schools. The Preston County Growers Co-op, which is currently finalizing formation, includes five farms that produce a variety of foods from lettuce to potatoes to eggs and beyond.



Some of the growers have been working together for a few years now to supply their local schools, but recently decided to formalize as a cooperative that is owned and controlled by their farmer-members. The co-op allows the growers to coordinate their production and then to sell to schools as a single business; the co-op business then pays the growers for their goods and splits any surplus among farmer-owners at year's end.

The process of formalizing the co-op was supported by a number of organizations, including West Virginia University Extension, the

Value Chain Cluster Initiative, West Virginia Farm to School, and the Ohio Cooperative Development Center.

The Ohio Cooperative Development Center (OCDC) worked with the growers to help them learn the ins and outs of the co-op model, including the benefits of the business model, how money can move through a co-op, and the process of forming a co-op in West Virginia. OCDC also assisted the group with reviews of their foundational documents, including bylaws, membership applications, and membership agreements. The group plans to register the co-op soon and begin formally accepting members in order to continue their successes providing locally-produced food in their community. Learn more about the Preston Growers Co-op in this [recent article](#) in *The Preston County News & Journal*.

A screenshot of a news article from 'The Preston County News & Journal'. The article title is 'Preston County Growers Coop provides produce for Preston County Schools'. The byline reads 'By Thomas Hootby STAFF WRITER Mar 22, 2015'. Below the text is a photograph of a woman in a red jacket working in a greenhouse, tending to plants in large black pots. To the right of the article is an advertisement for the 'Regional Eye Center' featuring 'Dr. James Jones' and the phone number '301-334-1016'. There is also a small graphic for 'Publish Your' with a 'Publish Your' button.

Expanding Cooperative Knowledge at the 2016 Cooperative Leadership Forum

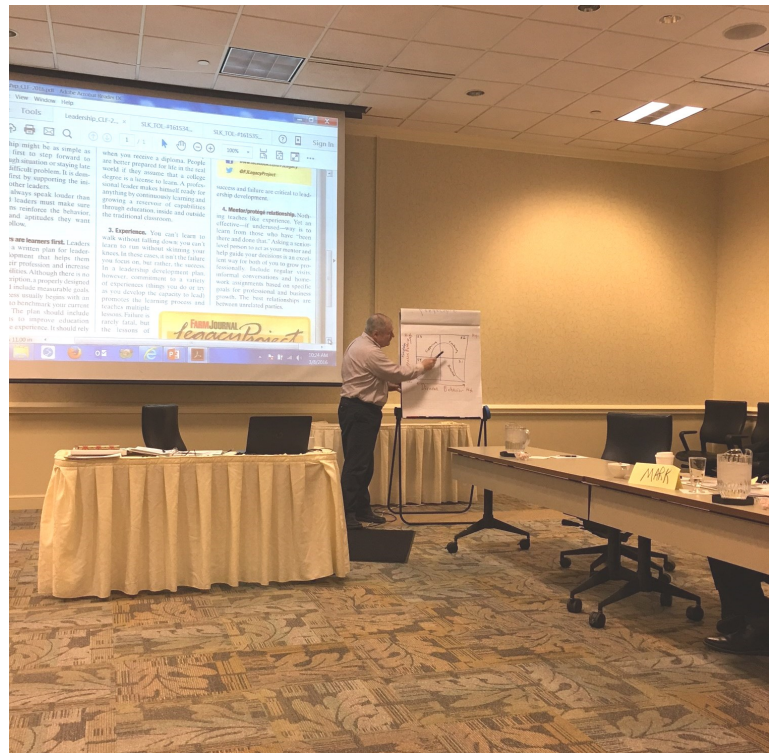
Representatives of credit unions, agricultural co-ops and the Ohio Cooperative Development Center, convened in Oxford, Ohio in March for Mid America Cooperative Education, Inc.'s 2016 Cooperative Leadership Forum. The emerging leaders from across the Midwest came together to learn from one another and various experts about the co-op model and cooperative leadership.

The multi-day forum included tours of nearby cooperatives, including Butler Rural Electric Cooperative, Inc. and CHACO Credit Union as well as visits from representatives of Miami University Credit Union, Dairy Farmers of America, and COBA/Select Sires. The various speakers shared how their co-ops benefit members, how they are governed, and the services they provide to members. Each highlighted their “cooperative difference,” including their prioritization of members’ needs, education efforts, and concern for community.

Kimberly Roush, OCDC Program Assistant, explained the inspiration she gathered from visits to local co-ops. “I noticed an interesting result of the cooperative environment during the leadership forum—the overall culture of the cooperative employees who spoke with us. The staff explained specific details about the reason for and the function of their cooperatives. Then they shared something more—talking about member activities and interaction with the community. It was exciting to learn how the cooperative principles permeate the local culture.”

After learning more about cooperative operations, the program wrapped up with a hands-on, team project in which participants worked to create and present a business plan for a new co-op business. The activity provided participants the opportunity to network with and learn from other co-op leaders and to apply their knowledge of the co-op model in a new way. Chris Smalley, Business Development Specialist with OCDC, explained the value of learning from his fellow participants, “It was interesting to discuss with other class members how each of the cooperatives they were a part of were unique and how they were created to serve their members...the opportunity will allow me to be a better counselor for prospective cooperatives, particularly with questions they may have on their structure compared to existing co-ops.”

Staff from OCDC left the 2016 Cooperative Leadership Forum with a greater working knowledge of existing co-ops in the region and connections to cooperative leaders throughout the Midwest.



Rod Kelsay, Executive Director of the Mid America Cooperative Council, talks with participants about development of their personal leadership skills.

OCDC Provides Co-op Education Across the Region

By Hannah Scott, Program Manager, Ohio Cooperative Development Center

Are you familiar with the co-op business model? Are you a member of a co-op? These questions are often how I begin educational presentations on the co-op model. On the one hand, the answers help me gauge the audience and tailor my presentation to their needs. On the other hand, they lead me to a very important point about the model — the general public is not well-versed in the co-op business model.

A November 2015 article in Farm World Marketplace explained that the public often doesn't realize how often they engage with a co-op or mutually-owned business and research by the National Cooperative Business Association (NCBA CLUSA) on consumer knowledge supports this idea.

The Ohio Cooperative Development Center works to provide education to increase co-op knowledge throughout Ohio and West Virginia, especially in communities or industries that might benefit from the model. During the winter of 2016, the center provided educational sessions at various meetings and conferences, including the West Virginia University Extension Small Farm Conference, Ohio Hops & Malting Barley Conference, and the Ohio Produce Growers and Manufacturers Association Congress, among others.

Presentations are often tailored to the audience and have included such topics as, "Cooperatively Marketing Specialty Crops," "Forming a Co-op In West Virginia," and "Co-ops in New and Emerging Industries."

Explore the slide below, which is included in many of these sessions, in order to brush up on your own co-op knowledge!

	Sole proprietor	Partnership	LLC	Corporation	Co-op
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/Profits	Individual	Partners	Partners	Investors and stockholders	Members based on use
Financing	Owner investment, retained profit	Partners' investment, retained profit	Partners' investment, retained profit	Sale of stock, retained profit	Sale of membership, retained profit
Legal Liability to owner	Unlimited	Limited/unlimited	Limited	Limited	Limited

(Adapted from Zueli & Cropp)

Cooperative Principles: What Makes Co-ops Different?

When the Rochdale Pioneers formed a cooperative society in mid-19th century England, they outlined a set of principles for their business that would set them apart and place power among their members. The twelve principles outlined by that community are now recognized as the first set of co-op principles.

To varying degrees, cooperatives today often follow a set of seven cooperative principles outlined by the International Cooperative Alliance that can be traced back to the Rochdale Pioneers. These principles include:

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Cooperation among cooperatives
- Concern for community

(Zueli, K. & Cropp, R., Cooperatives: Principles and practices in the 21st century, UW Extension)



Mark Your Calendars!

Ohio & West Virginia Food Hub Network Meeting

Wednesday, May 18th, Columbus, Ohio

Wednesday, August 17th, Location TBD

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

**OSU South Centers 25th
Anniversary Celebration**

**Thursday, September 15th
Piketon, Ohio**

**Extending Knowledge, Growing Southern Ohio,
Enhancing Lives**

Save the date for the South Centers' 25th Anniversary
Celebration, including open house activities that will
showcase the center's programming.

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