

Ohio Cooperative Development Center Report

Quarterly Report – First Quarter (October, November, December) 2001

Travis West, Program Coordinator

1. Accomplishments

Outreach

White Pine Landowners

Coordinator West met with Sara Gurney, Wood Products Marketing Specialist at the OSU South Centers at Jackson to discuss organizing a meeting of forestry professionals to determine the interest in white pine landowners marketing their timber for more than pulp wood. A meeting was held in Jackson to discuss the idea of holding a one-day conference on white pine marketing in Eastern Ohio. Center personnel West, Miller, Ellerman and Worley met with Sara and Dave Apsley, District Specialist Natural Resources, to plan the program for the meeting on March 9, 2002. We developed a tentative agenda and will meet again in January to finalize content and discuss promotional activities.

Ohio Rural Development Partnership

Coordinator West and Center personnel Worley and Ellerman attended the Ohio Rural Development Partnership's meeting held in Piketon in October. 50 people from around the state interested and involved in rural development attended the meeting. West presented the resources available for rural development from the Ohio Cooperative Development Center including technical assistance, education, training programs and grant funds. The group was receptive to the idea of cooperatives and how they can provide rural development in Ohio to groups and communities.

Farm to College Conference / EDIC Oberlin

Travis West, Coordinator and John Ellerman, Center personnel, participated in the Farm to College Conference addressing the role of cooperatives in organizing producers to provide products to local colleges. The focus is to provide locally grown products in the dining commons at local colleges in Ohio. Oberlin College has cooperatively run dining commons and housing, but is exploring how to work with one organization rather than 50 local producers. The conference was to educate people about the cooperative structure and how it could bring together producers to develop a market within the colleges. Deborah Rausch, USDA Rural Development, presented a session with Travis and John on direct marketing and cooperative formation.

Working with Wood Workshops

Travis West, Coordinator, participated in the Working with Wood Workshops that were held in Southern Ohio. The workshops disseminated the results of a grant funded research project that looked at alternatives for using short pieces of wood

(under 6 feet). The main focus was on making and marketing crafts made from Appalachian hardwoods. Travis provided some thoughts on how a cooperative could benefit the participants and they were receptive to the idea of a woodworkers cooperative. The group was interested in a cooperative that would have a facility, buy the equipment and the members could use it in making crafts. The woodworkers realize that some equipment is too expensive for them to buy individually, but a cooperative of woodworkers could buy the equipment together for mutual use, therefore decreasing individuals' investment and maintenance costs.

Ethanol Endeavors

Dave Hahn, OCDC personnel, met with Norman Rask, OSU Department of AED Economics; Randall Hunt, Debbie Rausch and William Taylor, USDA Rural Development; and Randall Methias on December 17 to address key issues on the supply and demand for ethanol in Ohio. Several groups in the state are considering federal funds to assist in the formation of New Generation Cooperatives to further process corn into ethanol. There are numerous ethanol plants throughout the country that are composed of corn producers coming together in a new generation cooperative to add value to their corn.

Access Appalachia

Tom Worley and John Ellerman, Center personnel, participated in the Access Appalachia meeting in Piketon. The focus of the meeting was providing Internet access to rural Southern Ohio households. The counties would be responsible for getting grants to fund the infrastructure of Internet access in their county. This provides possible cooperative activity similar to the rural utility co-ops. OCDC will continue to participate in the meetings as this initiative moves forward.

Pike County Farm Bureau

Coordinator West spoke to 40 Farm Bureau members at their annual meeting in Piketon. Travis talked about the types of cooperatives in Ohio and what resources OCDC can provide to existing cooperatives and groups that are looking at performing cooperative activities. Farm Bureau has been a strong advocate of cooperatives in Ohio for many years and some of the members were not aware that Nationwide Insurance was a cooperative developed out of Farm Bureau.

Technical Assistance

Rabbit Marketing Meeting

Coordinator West organized a meeting for rabbit producers that were interested in exploring value-added marketing opportunities in Ohio. There is a group of 5 individuals that are marketing snack sticks by being personal salespeople. This group emerged from the meeting and formed a Steering Committee to explore this activity further. A meeting was held in December to gain a focus and research specific topics involved in marketing these sticks and related rabbit products on a bigger scale than just to individuals. Deborah Rausch, USDA Rural Development and West are working in collaboration with the Steering Committee as it moves toward entity

formation. The group has explored the alternative of having their own processing facility versus having a custom butchering shop process the snack sticks. The group continues to meet and research various alternatives and address certain issues.

Kiln Meeting

Coordinator West and Center personnel, John Ellerman and Ron Miller, organized a meeting of 10 small sawmill owners and woodworkers to explore the idea of purchasing a kiln to add value to their lumber. The group has a concern that there is only one commercial kiln dry operation in the area they are eager to add value to their lumber, whether it be to sell or use in their woodworking efforts. Travis, John and Ron discussed with the group the idea of using a cooperative to facilitate the purchase of a kiln for the members to use in drying lumber. Ron shared information on the prices, availability and kinds of kilns that the group could purchase. Travis informed the group about the grant monies that OCDC has available to groups that are considering a cooperative structure or cooperative activities. The group continues to meet and evaluate various options in kiln drying and how to address their needs for dried lumber.

Aquaculture Tours and Study

Coordinator West, Center personnel, Hahn and Ellerman, participated in an Aquaculture tour on November 15 that included a processing plant, feed mill, retail store and two production systems in West Central Ohio. This tour provided insight into operations in Ohio and provided a base for composing a producer and processor surveys for the Ohio Aquaculture Association. The surveys are the first step in a marketing study to gather some of the concerns and needs in the aquaculture industry and how a cooperative could address them. The Center also visited an additional processor in the Northeast to get some more insight into the processing end and what the current and potential customer base is in Ohio for aquaculture products. A meeting followed to outline the items that need acted upon for the study and to divide responsibilities. Travis will take the lead on the producer survey and John and Dave will tackle the processor survey. A close working relationship with Laura Tiu, Aquaculture Specialist at Piketon, is essential to asking appropriate questions to gather the data desired from the surveys. Travis spoke at the annual meeting of the Ohio Aquaculture Association in Wooster to notify members that the surveys would be coming and their participation would be greatly appreciated. Members were receptive and provided some additional comments on the content that will help in gathering valuable information through the survey instruments.

Meat Goat Marketing

Travis West attended a meat goat marketing field day in Wilmington on October 11. The field day brought together 40 producers to look at production practices and marketing opportunities. Travis presented an article on the preferences of different ethnic groups on how they want the goat slaughtered and prepared. Dave Mangione, District Specialist, Agriculture, organized a follow-up meeting for Extension personnel that were interested in exploring the meat goat marketing channels further. Travis West, Tom Worley and John Ellerman, Center personnel, participated in the meeting and discussion on exploring the ethnic markets, their holidays and marketing

alternatives for the producers to enter other than the 4-H project market. The meat goat committee meets on a monthly basis to discuss various projects and developments. The committee is looking at educational and informational meetings and publications that can be used to enhance the goat industry in Ohio. There is interest in using a cooperative to pool goats for shipping to East Coast markets or marketing larger lots of goats directly to slaughter facilities.

Adams County AgBusiness Incubator Center

The Adams County Incubator is owned by the city of Winchester and provides a structure that can house fledgling businesses in Southern Ohio. The businesses can rent bay space in the Incubator to serve as a shipping point, office space or manufacturing facilities. John Ellerman, OCDC personnel, consulted with the individuals to discuss who sets the policies for the incubator and its tenants. John suggested that they need a Board to set governing policies and serve as the management for the Incubator. The Incubator provides an excellent facility for new and fledgling cooperatives to use a home base in the start-up stage of business formation. Farm Fresh Growers Association is the first tenant in the Adams County Incubator.

Toledo Farmers Market

Toledo Farmers Market is a farmers market in urban Toledo that is organized as a cooperative. John Ellerman, OCDC personnel, met with the Board of Directors to discuss some opportunities and issues that the cooperative is facing. John encouraged the Board to do some strategic planning and identify the long-term goals for their cooperative. At the present time, they are functioning like an association and John suggested that the group look at some cooperative activities to benefit the members. These could be marketing excess product to organizations or providing equipment so that the excess product could be packaged and sold at a later date. There are numerous value-added activities that the cooperative could engage in that would serve its membership.

Roots of Appalachia Growers Association (RAGA)

Coordinator West continues to meet with RAGA and assist as they develop a strategic plan, which includes formation of a marketing cooperative. The group is performing some marketing activities but only on an individual basis. The group's central focus at this time is the educational aspect, because most of the members are new to the medicinal herb venue. West will continue to meet with the group as they perform cooperative activities and develop a strategic plan.

Farm Fresh Growers Marketing Association

John Ellerman, Center personnel, talked with the Board from Farm Fresh about applying for OCDC grant monies. John encouraged the Board to do some strategic planning by developing a long-range plan including what the next five years look like for the cooperative. Farm Fresh is the first tenant in the Adams County Incubator; this decision allows the cooperative access to office and storage facilities. They are exploring the idea of diversifying their products so that they can use the Winchester

facility year round. OCDC personnel will work closely with Farm Fresh as they develop their grant application.

Sheep Producers/ Farm Markets of Ohio

John met with a group of sheep producers in Northeast Ohio to discuss marketing alternatives for processed lamb meat products. One of the ideas is to work with Farm Markets of Ohio, a food network that markets their products solely through an internet marketplace, to distribute the lamb products through their internet channel. OCDC has provided publications on cooperatives and their role in marketing meat products to the group as they explore a business structure to market their lamb through Farm Markets of Ohio.

Education and Training

Southwest Landmark Employee Training

Dave Hahn, OCDC personnel, and Debbie Rausch and Bill Taylor, USDA Rural Development, met with Gordon Wallace, Herb Mayer and Wendell Montgomery from Southwest Landmark to discuss the content and roles in the employee training sessions to be held December 6 and 7. The employee training sessions were conducted twice each day for a total of 4 sessions. Gordon, SW Landmark Manager, and John, SW Landmark Board President, participated in the skits playing their respective roles. The program included sections on cooperative principles, financials, roles and responsibilities. Managing employees, the employees' roles in the cooperative, how a co-op differs from other businesses, what it means to be member of the co-op and how \$1 of sales is used in paying expenses were all topics discussed in the skits and presentations during the two-hour session. The two-day program was conducted for 250 employees of Southwest Landmark and provided them with tools to use as the cooperative enters a membership drive to recruit patrons that are non-members.

Cooperative Development Professional Training

Travis participated in the second training session for cooperative development professionals. The second session was held in Bailey, CO on November 5-7 and was attended by 25 people from cooperative development centers and USDA Rural Development. This session focused on feasibility studies and working with the consultant to perform the studies, this was facilitated by using case studies in the discussions. Faculty for the course were: Audrey Malan, Cooperation Works!; Tim Huet, Center for Democratic Solutions; Lynn Benander, Cooperative Life and Cooperative Development Institute; Gerald Ely, USDA Rural Development; and Kate Smith, AUS Consulting, Inc.

Partnerships

Entrepreneurship Team

Coordinator West participates in a weekly Monday meeting to discuss the Business and Economic Development program and its focus on the area of entrepreneurship along with Julie Fox, Bill Smeltzer and Pat Dengal, Small Business Development

Center personnel. The group is looking at entrepreneurship and what partnerships can be formed to facilitate a position focused on entrepreneurship, using the personnel expertise in OCDC and SBDC at the OSU South Centers. The group is exploring the idea of an entrepreneurship center using a collaborative effort of partnerships and expertise within OCDC and SBDC.

Cooperative Endowment Activities

Dave Hahn, Center personnel, met with Dennis Bolling, United Producers, Inc.; Tom McNutt, Ohio Council of Cooperatives; and Alan Randall and Larry Libby, OSU Department of AED Economics to discuss program activities supported by the Cooperative Endowment and the Ohio Cooperative Development Center. Priorities for research issues and outreach programs for agricultural cooperatives were discussed within the group. This is a great opportunity for the Center to collaborate with some research and outreach activities relating to agricultural cooperatives in Ohio.

Marketing to Institutions Conference

John Ellerman, OCDC personnel, is coordinating with Kelly Lawhorn, Lawrence County Economic Development Corporation Director, to plan a conference on “Marketing to Institutions”. The conference would focus on organizing producers into an entity that could market to institutions like colleges, schools, prisons or other governmental sectors. The conference looks at various business formations that would allow producers to collectively market to institutions. Institutions will deal with one organization, but most are not willing to dealing with 45 different producers.

Heartland AgDeavor

Heartland AgDeavor, formerly Heartland AgVenture, is an organization that identifies agricultural value-added opportunities to facilitate establishment of business entities to increase producer profits through value-added processing and marketing. Tom Sporleder, AEDE and Center personnel and John Ellerman, Center personnel, are involved in Heartland AgDeavor. The organization is a channel to identify potential cooperative activities and provide venture capital funds to cooperatives that are being assisted by OCDC.

Networks

Cooperation Works!

Travis continues to participate in the monthly CW membership conference calls. CW is working on a new membership and confidentiality policy. CW also holds some topic specific conference calls for the membership addressing issues like Working with Dysfunctional Boards and Conducting Feasibility Studies.

Regional Centers Conference Call

OCDC Coordinator West is holding monthly conference calls for cooperative development professionals in Indiana, Pennsylvania, West Virginia, Michigan and Illinois. The calls provide an opportunity to share experiences, discuss current issues and disseminate information about the cooperative development activities in each

state. This is a great networking opportunity that provides a chance to share with other cooperative development professionals in the Midwest and gain knowledge from their experiences.

Cooperative Development Forum

The Cooperative Development Forum is sponsored by the National Cooperative Business Association and was held in Hartford, CT in October. Travis West, Coordinator, attended the forum which brings together cooperative development professionals from the US and Canada. The forum includes a biannual meeting of Cooperation Works and provides opportunity to meet and interact with CW members. The Forum provided professional development through in-depth break out sessions on: Value-added agriculture cooperatives, Rural limited resource groups, Urban limited resource groups and Purchasing/ Consumer cooperatives. Additional presentations covered access to capital for cooperatives and outcome measurement systems for cooperative development professionals.

Other

OSU Teams

John Ellerman, Center personnel, serves on the Sustainable Agriculture, Fruit, Small Farm and Direct Marketing Teams for OSU Extension. He serves a member and coordinator of activities involving the teams. All the teams have potential to identify cooperative marketing and/or business formation activities that could develop into a cooperative.