

Rural COOPERATIVES

September / October 2013

Business
blooming for
new crop of
co-ops



CO-OP MONTH SPECIAL
SECTION / page 18

fuels and through development of a model bus transportation contract. This activity is consistent with the common purchasing role created for these school district cooperatives by the Wisconsin

Legislature in 1964.

Most Upper Midwest cooperatives had very humble beginnings, but now serve as major economic anchors in their communities. GLCC is working

with those cooperatives to ensure the region's strong cooperative tradition continues to provide the foundation for a strong rural economy. ■



CO-OP
MONTH

Aquaculture providing opportunities for Virginia farmers to diversify

By James Matson and Jessica Shaw

VIRGINIA is home to a large, flourishing agricultural community that includes many small individual and family farms. Many farmers here experienced high stress and low income after the loss of the tobacco and peanut federal programs, resulting in pressure to find new crops and sources of income.

Small farms in the Old Dominion continue to confront obstacles as they try to compete with larger agricultural corporations. But they often find that they need some type of assistance to remain viable.

VA FAIRS supports small farm sector

The Virginia Foundation for Agriculture, Innovation and Rural Sustainability (VA FAIRS) is a rural development center that provides help to farmers and rural businesses. The foundation assists in the creation of rural businesses, offering assistance to individuals, cooperatives, small businesses and other similar entities in rural areas.

The development center is funded in part through the USDA's Rural Cooperative Development Grant (RCDG) program, which allows recipients to further develop their business goals and help other rural businesses. According to the USDA Rural Development's website, the purpose of the RCDG program is to "improve the economic condition of



Fish farming is proving to be a promising alternative "crop" for some producers in Virginia. Chris Bentley and Dr. Clarke Morton of Mid-Atlantic Aquatic Technology (MAAT) operate a fish farm on the state's eastern shore. The farm is a member of the Virginia Aquafarmers Network.

rural areas by assisting individuals or entities in the startup, expansion or operational improvement of rural cooperatives and other business entities."

"We have used these grants to help cooperatives, which, in turn, have helped other rural businesses by providing services and outlets for their products," says Chris Cook, the center's executive director.

VAN helps small aqua-farms

Virginia Aqua-farmers Network LLC (VAN) is a cooperatively

organized, producer-owned business of independent freshwater fish and prawn producers. Though VAN is chartered as an LLC, the entity is operated, and functions, as a cooperative. The network provides an outlet for small aqua-farmers, primarily in south-central Virginia, who wish to provide their consumers with fresh, locally produced seafood. They can accomplish this by bringing together production resources and marketing opportunities for the benefit of smaller aqua-farmers.

The idea behind the Virginia Aqua-farmers Network started with a desire

to assist existing small-scale aqua-farmers and flue-cured tobacco growers who were looking to use their existing farm infrastructures to produce an alternative income stream.

VAN supports the growth of the Virginia aquaculture industry and offers farmers a means of furthering their production. Before the dreams of VAN's project leaders could become a reality, the cooperative needed financial and organizational help.

VAN's initial development was a slow process, as there were many obstacles to overcome. But the leaders were determined, and the Virginia Aquaculture Association was instrumental in procuring funds from USDA's Value-Added Producers Grant (VAPG) program, which led to the creation of a feasibility study and an initial marketing and business plan. After the completion of these documents, VAN was able to hold its first meeting with producers.

Many organizations — including VA FAIRS, Virginia State University, Virginia Tech University, Virginia Farm Bureau Federation and others — took interest in VAN's venture because of its potential to help farmers move from traditional cash crops into new, value-

added niche marketing.

“VA FAIRS has been an exceptional partner and has been instrumental in guiding us to build from the ground up” says Lynn Blackwood, VAN chairman and founding member. “We hope to further develop [the network] by bringing in new producers and continue to integrate vertically.”

VAN is currently working with a number of producers to help expand seafood items produced. It continues to provide producers with technical assistance, training, purchasing opportunities, logistics coordination and marketing opportunities.

MAAT develops unique fish farming practice

Mid-Atlantic Aquatic Technology (MAAT), which recently joined VAN, is operating a land-based fish farm on the eastern shore of Virginia. MAAT has worked for years to develop its own unique system of raising fish from eggs to market size, while maintaining a healthy, sustainable environment for the fish.

As the business has grown, MAAT has partnered with many organizations that have helped it further develop its goals. “Through their pool of expertise,

Virginia FAIRS and VAN have only proven to make our business stronger as they have helped expand and strengthen our collaborative knowledge,” says MAAT Farm Manager Chris Bentley. “We hope to continue this partnership as we grow.”

Although others had tried and failed, VAN persisted in its desire to help local farmers and strived to make their desires a reality. With assistance from VA FAIRS, the network has helped secure the future for smaller, rural businesses, such as MAAT, that may not have otherwise possessed the means to succeed on their own.

Stephen Versen, project manager for the Agriculture and Forestry Development Services, part of the Virginia Department of Agriculture and Consumer Services, says that an aquaculture cooperative serves as an important vehicle that helps existing and future members reach markets and gives them the marketing tools to be successful.

Editor's note: Matson is a South Carolina-based business development consultant with expertise in cooperative development. Shaw is an editor and consultant with Matson Consulting. ■



CO-OP
MONTH

Central Indiana's first food hub goes “LIVE!”

By Debbie Trocha, Executive Director, Indiana Cooperative Development Center Inc.

HOOSIER HARVEST Market — the first food hub in central Indiana to focus on Indiana-grown products — opened to customers on May 31. The food hub is based in Greenfield and will have several delivery points throughout central Indiana.

Hoosier Harvest Market is a cooperative that is connecting Indiana food producers with consumers who



The Hoosier Harvest Market operates a “virtual marketplace” via this website.

seek locally grown food products. Many of our neighbors in surrounding states have enjoyed such a “local food connection” for several years, and now Hoosiers have the same opportunity to buy local food and to support local producers.

At the outset, Hoosier Harvest Market will be operating as a “virtual marketplace.” With the click of a mouse, consumers can order their