

Building Market Power: How the Mountain State Co-Hop Cooperates



Thanks to our funders and partners!



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Appalachian
Regional
Commission



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*Hold questions until the end: 60 minute session, 15 minutes for Q&A at end of session

Presentation Roadmap

- Who Mountain State Co-Hop is
- How a cooperative works
- Benefits of being part of a cooperative
- Benefits of cooperative aggregation and distribution
- What is aggregation and distribution
- Efforts being made for collaborative partnerships for aggregation and distribution and how can you be involved

Who is Mountain State Co-Hop?



Vision & Values

At Mountain State Co-Hop, we envision a thriving agricultural community where farmers are empowered through collaboration, sustainability, and shared prosperity. By fostering access to resources, markets, and decision-making, we aim to create a resilient and transparent system that benefits farmers, producers, and customers, ensuring long-term economic growth and financial stability.

What does the Mountain State Co-Hop Do?



Vision & Values

Through our cooperative model:

- We aggregate/distribute, market, and sell member products
- Enable producers to reduce operational costs while accessing new markets and achieving greater economies of scale.

Who is Mountain State Co-Hop?



Vision & Values

The core values of the co-op include:

1. **Sustainability:** Through collaboration, we empower a system built on shared ownership, enabling members to create pathways for future success by taking an active role in our business.
2. **Transparency:** We provide full traceability from farm to product, building trust with consumers who value knowing the origins and journey of their goods.
3. **Community Building:** By championing West Virginia-produced products, we strengthen community food systems and cultivate a circular economy where consumers play an integral role.

How Does a Co-op Work?

How A Co-Op Works



Co-Op Offers



Services to



Members



1 Member
= 1 Vote



Individual Business
Growth & Profit Sharing

Benefits of the Co-op

- **Member ownership:** every member is a owner of the cooperative and has an equal voice in the development of the cooperative
- **Profit sharing:** A cooperative is a business that provides services to it members and operates at a net 0. Members will annually receive a % of profit based on the usage (annual sales) of that member.
- **Collective funding:** Ex. We are more competitive in grant applications because of our memberships. We are able to show a broad impact for our co-op community and our local and state community.
- **Educational resources/workshops:** We all bring niche knowledge with us and are open to sharing with one another and the community.

Benefits of the Co-op

- **Shared use equipment:** larger and more costly pieces of equipment are purchased as a collective and available for member use.
- **Shared warehousing:** product is managed more efficiently and in greater volumes while reducing cost, tracking, regulatory requirements, and spatial needs of the individual members.
- **Bulk purchasing:** by identify shared needs amongst members we can order at higher volumes to reduce unit costs
- **Economic savings:** through these and additional collaborative efforts we can reduced operational and overhead costs for the individual member leading to increased income

Benefits of the Co-op

- **Shared marketing & branding:** Through collective branding we can establish a trusted brand that encompasses all members while reducing time and cost of the individual member. Appalachian Cellar has become the unifying brand for all where you can find an array of Appalachian products while telling the story of our members and elevating transparency to the customer.
- **Wholesale & direct-to-consumer sales:** We are able to reach larger markets by offering larger volumes and diversity of products while reducing cost to the individual member through shared efforts, a unified voice, and simplified customer interfacing.

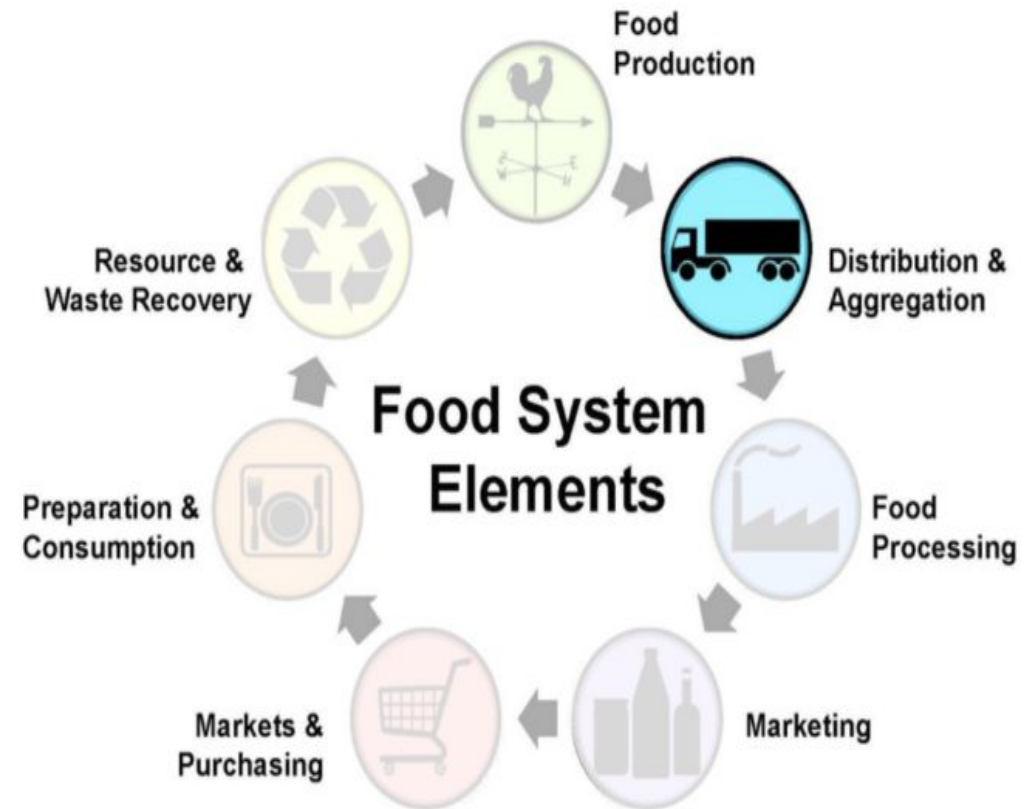


Benefits of the Co-op

- **Co-packing services:** We are under construction for two food manufacturing co-pack facilities. This will allow our members ability to sell into interstate commerce and scale their businesses.
- **Shared aggregation & distribution:** By sharing aggregation and distribution efforts we are able to reduce the individual members' time commitments and cost in fulfilling orders, consolidate product tracking and storage needs, and reduce the logistics burden for both the members and the customers.

What is Aggregation & Distribution (A&D)?

- **Aggregation** refers to the process of collecting products from various producers into larger quantities.
- **Distribution** involves the logistics of delivering these aggregated products to retailers or consumers.



Adapted by Christy Shi, Center for Environmental Farming Systems.

From: Wilkins, J. and Eames-Sheavly, M. Discovering the Food System; An experiential learning program for young and inquiring minds. Cornell University, Departments of Nutritional Science and Horticulture. <http://www.discoverfoodsys.cornell.edu/>



Example of the Process:

- Aggregate raw and finished goods from producers
- Raw product is processed at the co-packers
- Finished goods are added to warehouse inventory and Appalachian Cellar website
- Customers place orders
- Appalachian Cellar delivers directly to wholesale customers
- Appalachian Cellar ships smaller quantities direct to consumers

Regional Food Systems Partnership (RFSP)

The purpose of the RFSP program is to support partnerships that connect public and private resources to plan and develop local or regional food systems.

Planning & Design Project- Mountains to Metropolis: Connecting West Virginia Value-Added Products to Regional Markets

Planning and Design projects support partnerships in the early stages of bringing together people and organizations, envisioning a shared future, setting goals, and finding strategies for developing local or regional food systems. Specifically, these projects support food system's efforts to build connections between public and private groups in their regions. This allows the region to discover and promote opportunities for collaboration within the food system.

Expanding Partnerships

Current RFSP Partners

- West Virginia Food & Farm Coalition
- Mountain State Co-Hop
- Facing Hunger Food Bank
- Young & Stout, Inc.
- Garrett Growers Cooperative
- Project Healthy Kids
- West Virginia University – Institute for Community & Rural Health
- WV Maple Syrup Producers Association
- West Virginia University-Parkersburg
- JarHead Farms

Expanding Partnerships

Who are we looking for?

- We are actively recruiting **logistics providers, aggregators, distributors, food hubs, cooperatives, grocers, and regional buyers** who want to shape and benefit from this new system.
- What we need from Aggregation & Distribution Partners:
 - Insights into existing logistics routes and constraints
 - Willingness to explore route extensions or backhauling
 - Participation in planning and design sessions
 - Optional hosting of site visits
 - Input on contract models, cost-sharing, and integration

Benefits of Aggregation & Distribution Partnerships

What A&D Partners Gain

Operational Benefits

- Increased load density & reduced empty backhaul miles
- Access to pre-qualified, shelf-stable product volume
- Entry into new markets with coordinated partner support
- More efficient route optimization through shared planning tools
- Customized technical assistance in
 - inventory systems
 - food safety & regulatory compliance
 - warehouse procedures
 - interstate distribution requirements

Benefits of Aggregation & Distribution Partnerships

Why This Partnership Works

- It is cooperative, not competitive.
- Each partner retains autonomy while leveraging shared efficiencies.
- Supported by USDA funding, WVU research, technical assistance, and committed anchor partners.
- Grounded in the **Theory of Accompaniment**—we build with you, not for you.
- Partners have decades of logistics expertise (Facing Hunger, Young and Stout, Garrett Growers).

Benefits of Aggregation & Distribution Partnerships

Financial/Strategic Benefits

- Early priority for future distribution contracts
- Greater customer diversity & resilience
- Reduced overhead through shared movement of goods
- Participation in funded pilot routes
- Opportunity to help design a system that works *for your business*

Collaboration & Cooperation

- **Interested in becoming a Mountain State Co-Hop member:** please contact Jenn Brown @ sales@appalachiancellar.com or 681.332.0707
- **Interested in scaling your product (including raw product):** please contact Audra O'Dell @ aodell@wvfoodandfarm.org or 304.669.8973
- **Interested in becoming an aggregation and distribution partner:** please contact Sierra Cox @ scox@wvfoodandfarm.org or 304.482.2214



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Thank you!