**Project Title:** Marketing and Distribution Cooperative Start-up in the Greenbrier Valley, West Virginia

**Organization:** The Green Gold Cooperative, Inc.

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Are you a 501(c) 3? NO

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**1.** **Please describe your organization’s mission, vision, and target population.**

The mission of the Green Gold Co-op is to provide marketing and distribution services to a network of small farms by identifying and overcoming bottlenecks in the local food value chain with smart infrastructure investments. Based on the success of a SARE Sustainable Community Grant in 2012 in Pocahontas County, the group of producers has decided to incorporate as a Marketing and Distribution Cooperative to gain access to multiple volume buyers, share infrastructure and transportation costs and coordinate production for consistency in an extended season. We want to be able to provide healthy, all natural, locally produced farm products with the consistency and quality to please the wholesale and institutional buyers in the region. Even with strong sale growth among members, the market share of locally grown produce is tiny. Ken Meter of the Crossroads Resource Center estimates that if all the produce grown in the Greenbrier Valley (Pocahontas, Greenbrier and Monroe Counties) was served locally, it would only meet 3% of demand[[1]](#footnote-1).

As we move forward, the organization will encourage increased production in order to satisfy local demand both by scaling up current operations and attracting new members from the Pocahontas County and the surrounding region. We will identify market opportunities, increase buyer confidence and satisfaction, increase farmer profits and move toward the long term objective of a sustainable local food system. The project helped move growers up the value chain by providing an alternative to the depressed prices and long hours away from the farm typical at local farmers markets. The producers' extra washing, processing and packaging effort was rewarded with higher prices, larger orders and increased buyer confidence. The cooperative will allow growers to spend more time growing and less time away from home.

In early 2013 co-op members will draft and implement governing bylaws to assure democratic decision making among members and long term financial viability. For 2013, the organization will acquire and outfit a refrigerated truck to improve post-harvest handling and storage, launch an online inventory and ordering system and provide an associate membership (non-producer) option for institutions or individuals who want to donate or invest in the local food chain.

To achieve the long term vision of a sustainable local food system, we need to simultaneously increase production and implement a smart marketing, processing and distribution infrastructure.

The direct target population includes gardeners and farmers who market fresh produce, potential growers, professional cooks and CSA members. The secondary target population includes public school students, farmers' market patrons and members of the general public.

**2. Please describe the project for which you are requesting funds.**

The project, previously supported by Sustainably Agriculture Research and Education (SARE-USDA), funded the Market Coordinator position and mileage for a weekly fresh produce delivery route in Pocahontas County which focused primarily on restaurants. From May through November the project coordinated and delivered nearly $10,000 of locally grown farm products. Each Monday, producers would notify Joe Heathcock (Market Coordinator) of any changes in product availability for the week. Each Tuesday, sales calls were made and orders placed. Each Thursday the orders were picked up from the farms, aggregated and delivered to the buyers. Connections were also established with the Farm-to-School initiative in Pocahontas County and local produce was supplied for the Fresh Fruits and Vegetables Program as well as the school lunch program. A group of core producers, encouraged by the market coordinator, have decided to incorporate as an agricultural cooperative to formalize the business structure and increase capital investments for shared branding, an online ordering system and distribution infrastructure.

The most significant bottlenecks within the food chain are a lack of refrigerated storage, a shortage of available products and a lack of long term agreements. In 2012 the project was able to get by transporting the products in coolers or plastic bins. But the orders often exceeded the cold storage capacity, decreasing the quality of highly perishable goods. By acquiring a refrigerated truck, the co-op will be able to provide the optimum conditions for storage as well as the ability to handle significantly more business. We are requesting these funds to cover the insurance and mileage for the truck.

The system for updating inventory, labeling and invoicing was rather inefficient in 2012. Because seven to ten farms were supplying four to six buyers every week, each farmer would have to fill out multiple tickets and each buyer would get as many as seven different bills. Simply establishing a formal cooperative will allow for all the products to go on a single bill, but the real benefit will be setting up an account with Localfoodmarketplace.com. The producers will benefit from automatic invoicing, label printing and sales reports. Funds are requested for implementation, operation and producer training for utilizing the system.

The market coordinator position is crucial for structural development, making persistent sales calls, enforcing product quality specifications, implementing marketing agreements, setting strategic goals, maintaining group cohesion and driving the route for physical distribution. Funds are requested for personnel costs and communications.

Currently, livestock accounts for 95% of farm sales in our three county area, and on average farm expenses exceed sales[[2]](#footnote-2). In order to make agriculture an area of vibrant economic growth, our region needs to diversify production and choose crops that have a higher sales value per acre. Not only will this improve profitability but also improve community food security. Anecdotal evidence shows that a pound of spinach sells for twice as much as a pound of ground beef. However, until the marketing and distribution bottlenecks are overcome, farmers will be reluctant to invest the intensive labor and material required for fresh produce. In a detailed report specific to our three county region researchers concluded that, “with this combination of land-based and social resources, the Greenbrier Valley is uniquely positioned to develop a robust local food system[[3]](#footnote-3).”

The same report identifies a very specific need that our project is designed to meet. “In order to enhance the economic viability of local salad greens production, farmers operating greenhouses could create a cooperative organization for the collective washing, packaging, distributing and marketing off salad greens... this arrangement would prove especially beneficial.”

We will measure outcomes in terms of capital invested, donations collected, number of producer members, number of associate (non-producer) members, weekly sales, and miles driven on delivery route.

Our expectations for measureable outcome in 2013 are as follows:

* Sales growth of at least 100% over 2012 levels
* Minimum capital invested, $15,000
* Donations acquired, $5,000
* Number of producer members increase at least 25%
* Number of associate memberships, 75
* Average weekly sales of $400 in May, $500 in June, $675 in July, $850 in Aug. and Sept. and $600 in Oct. and Nov.

**3. Who are the core partners and stakeholders who will participate in your project?**

Natural Capital Investment Fund: The fiscal sponsor for the project is a business loan fund serving small and emerging natural-resource based businesses in rural and economically distressed communities in Appalachia.

Greenbrier Valley Economic Development Corp (GVEDC): A program focus for the GVEDC is local food systems development. The Greenbrier Valley Local Foods Initiative (GVLFI) works with farmers, markets, restaurants, distributors, schools, consumers, and food pantries to increase accessibility, availability, and affordability of fresh, healthy regional foods. Working with partner organizations such as WVU Extension and a slew of non-profits, community organizations, and individuals, they host workshops, expand markets, develop educational programs for students, participate in local and statewide roundtable discussions, and connect people with information through internet and new technologies.

Jill Young, Coordinator GVLFI: Jill provides individualized support and resources to a variety of local organizations. She emphasizes the importance of connecting the various GVLFI projects and participants within the local food chain. She is also a producer in the Monroe Farm Market Cooperative.

Joe Heathcock, Market Coordinator: Joe started a CSA in Pocahontas County in 2011 and worked as local foods market coordinator in 2012. He is a founding incorporator and interim board member of the cooperative discussed above.

Participating Farmers

Dawn Baldwin Barrett of Brightside Acres, LLC.

Michael Buttrill of Bootstraps Farm\*

Danial Lewis of Katahdin Farm

Tolly Peuleche of Hidden River Farm\*

Timothy Peregoy of Azimuth Organics\*

Steve and Mary Saffel of S&S Farm\*

\*Farm includes high tunnel season extension capacity

Buyers

Elizabeth Adams, Hospitality Manager at the Gesundheit! Institute

Blair Campbell, Owner of the Pretty Penny Cafe

Dave Carte, Head Chef at Elk River

Lisa Dennison, Food Service Director for Pocahontas County Schools

Alan Dutchess, Food Service Manager at National Radio Astronomy Observatory (NRAO) cafeteria

Mary Willis, Owner of Elk River and the Fiddlehead restaurants

Collaborators

Pocahontas County Commission: The count commission was the lead organization for the 2012 SARE project. The commission also oversees the GVEDC, as one of three counties which uses the GVEDC as the lead economic development organization.

Ohio Cooperative Development Center: They provide a small grant and coop-formation kit. They will support the organization by funding directors and officers liability insurance, assistance in obtaining federal 501(c)3 status under Sub-Chapter T, accounting systems and contractual document development.

Wake Forest Community Law and Business Clinic: The cooperative bylaws will be submitted for review once the members have completed a draft. The same service was provided to the Monroe Farm Market when they became a cooperative in 2012.

**4. How could other CAN resources, such as technical assistance or training, be used to support your project?**

We are actively seeking technical assistance in the following areas:

* Network building – organizational development

Especially Board training and seeking collaborators

* Co-ops – operations

Especially cooperative accounting and contractual document development

* Distribution

This is the major bottleneck to the sustainability of a locally based food chain.

* Farm-to-school program

We have had some successes but the farm to school program is great opportunity for us to pursue.

* Alternative to GAP/GHP

The cost of certification puts GAP/GHP beyond reach of each of the members at their current scale, but an alternative regimen might enhance marketability.

* Recruiting and training new farmers

As the average age of farmers continues to increase, we acknowledge this is the only true path to sustainability, but don’t know how to carry it out successfully.

* Project financing

We would like assistance on how to maximize shareholder impact and seek other sources of capital investments

**5. How will you leverage CAN resources to attract additional investment (of time, money, or other resources) to your project or your value chain?**

CAN resources will allow the successful start up of a new business that will attract significant investment. By forming a cooperative, the project will be able to accept donation as well as sell shares to any organization or individual who joins as a member. The initial investments will be used to purchase a refrigerated truck, build stationary refrigerated storage capacity. The participants are interested in exploring a processing facility for a variety of value added abilities, such as wash/bag, flash freezing and custom products. The CAN resources will help us attract future investment by establishing a profitable, growing track record for operations.

CAN is currently producing a series of short videos highlighting interesting and successful value chain projects around the region. What ideas would you suggest for video topics related to your work?

Come to the GVEDC in Maxwelton, WV (right next to the Lewisburg Airport) on Tuesday, January 8th for a presentation by Joe Heathcock called Agriculture Cooperatives: Market Logic for Fresh Produce Growers in the Greenbrier Valley.

Budget:

See Attachment .XLS

1. Meter, Ken. “Greenbrier Valley West Virginia: Local Farm and Food Economy.” Crossroads Resource Center. 2011. Accessed Nov. 1, 2012. Available at http://www.crcworks.org/crcdocs/wvgreensum11.pdf [↑](#footnote-ref-1)
2. ibid [↑](#footnote-ref-2)
3. Downstream Strategies. “Greenbrier Valley Local Food: The Possibilities and Potential.” Prepared for GVEDC. October 2011. Accessed Nov. 1, 2012. Available at http://www.downstreamstrategies.com/documents/reports\_publication/greenbriervalleylocalfood\_final.pdf [↑](#footnote-ref-3)