

## NC GROWING TOGETHER

Connecting Local Foods  
to Mainstream Markets

# Collaborative Farming in NC



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**NC STATE**

**EXTENSION**

# Collaborative Farming in NC 2017

This document introduces producers and agricultural educators to different forms of collaboration that farmers can use to grow volume, increase efficiency, lower costs, and enter new markets; and provides the results of a 2017 study of collaborative farming in North Carolina.

## Introduction

*The North Carolina Growing Together project, a Center for Environmental Farming Systems initiative funded by USDA/NIFA, has worked since 2013 to support the development of supply chains linking local small and mid-scale agricultural producers into the market channels of larger retail and food service buyers such as grocery stores and institutions. Volume requirements of these larger buyers are very often barriers to smaller-farm entry into the supply chain. Through collaboration farmers can pool supply, as well as share equipment, buy inputs in volume, and create a compelling brand.*

“Collaboration” is the act of two or more persons working together to achieve a common purpose. “Collaborative Farming” is a farming business that results from the actions of two or more persons or organizations working together to achieve a higher degree of profitability than they would individually. Collaborative Farming can take many forms. From two or more growers, who after a casual handshake agree to share

vendor space at a farmers market, to the formally incorporated cooperative, corporation, or limited liability company marketing members’ products collectively, farming collaborations in North Carolina occur naturally, and most often, as a result of need. For example, small/mid-scale farms<sup>i</sup> generally suffer from challenges related to scale inefficiencies, market entry, and equipment costs. Family farms often experience the uncertainty that arises as one generation nears retirement and the next generation does or does not take over the operation<sup>ii</sup>. Consequently, small-/mid-scale farms should consider a collaborative farming arrangement as a possible solution to these common challenges.



Image Credit: Debbie Roos, Chatham County Extension

## Degrees of Collaboration

### Handshakes

On the collaborative farming continuum, the simplest form of collaboration occurs when two or more growers do “favors” for one another, bargain for a “time swap,” or informally agree to help one another out when

the situation arises. This often happens when there is a need to man the vendor stalls at a farmers market or to fill a customer order when a grower is short on supply.

## Contracts

The second level of transactional behavior on the collaborative farming continuum occurs when two or more growers enter into a formal written agreement or contract. Contracts provide the rules by which the growers agree to work with one another, including compensation and payment rates, time periods, and scope of work or use of land or equipment. Common forms of contracts include land and equipment leases and temporary employment contracts for farm labor.<sup>iii</sup> Farm business operating agreements also fall into this category.<sup>iv</sup>

## Independent Legal Entities

The third level of transactional behavior on the collaborative farming continuum involves the creation of a farming business entity separate and distinct from the original individual farming operations. This separate business entity can choose from a variety of legal structures--a partnership (general or limited), a limited liability company, a corporation, or a cooperative. Farm owners are advised to consult with an attorney and an accountant to determine the most appropriate legal structure.<sup>v</sup>

Two notable examples of collaborative farming in the United States<sup>vi</sup> are the FUN Group in Iowa and New Vision Farms in Ohio. The FUN Group has 8 farmers who each manage their own farms while sharing equipment and labor. Logistics is their biggest challenge as they must coordinate their harvest and planting schedules. New Vision

Farms has a different approach to collaborative farming. It created a new business comprised of three farm families who lease land to the business and farm on a 50/50 crop-share system. Machinery is shared only when needed to reduce costs.

One of the most widely-publicized collaborative farming arrangements in recent years is the Bulla Burra cattle ranch in Australia. In this case study, two ranchers decided to go into business together to become more profitable. They created a new business to which they leased the most productive land (while keeping some land in individual production), sold all of the equipment they didn't need individually and had the business purchase only the equipment that was absolutely necessary to the new operation. By doing so, the two ranchers (who owned the new business) began operating at scale.<sup>vii</sup>

The notion of collaborative farming is not new, but as smaller farms become acquisition targets for larger concerns or simply are having difficulty becoming or staying profitable, the concept of collaboration becomes more compelling. There are examples across the state, the nation, and the world where growers have banded together to succeed, with Australia, Ireland, and Denmark in the forefront in terms of policy development in support of collaborative farming<sup>viii</sup>. To say that collaborative farming has become a trend in agriculture in the United States is definitely a stretch, but in North Carolina there are both confirmed instances of success and a few cases where hope of profitability is still on the horizon.

# What to Consider Before Formalizing a Collaboration

Things to consider when entering a collaborative farming arrangement<sup>ix</sup> include:

- **Personality of the collaborators:** All parties must enter the arrangement with an open mind and a positive attitude, and having personal knowledge of each party's work habits and personal preferences is a definite plus. A shift in mindset will be necessary from "me" and "my business" to "us" and "our business."
- **Personal circumstances:** If a farm is already operating profitably, the likelihood of that farm joining a collaborative arrangement is unlikely. However, personal circumstances that may give rise to the possibility include new and beginning farmers seeking financial and human capacity to support a startup operation, experienced farmers seeking to expand or operate at scale, and aging farmers nearing retirement.
- **Personal interests:** Not everyone is blessed with the same set of skills. Some are good with their hands. Some are good with the earth. Some are good with finances. And some are good with marketing and sales. The most effective collaborative farming arrangements capitalize on the skills of everyone involved.
- **Risks:** Every business owner, whether a sole proprietorship or some form of collaborative arrangement, should assess the risks before launching any business. The greatest risks when

choosing to collaborate are how decisions are made and what happens upon dissolution. Specific provisions regarding both of these governance issues should be included in any form of collaboration.

- **Farm goals:** Before entering into any form of collaboration all parties should clearly identify their goals for the collaboration, whether it be an expansion, cost-saving measure, improved marketing, or guaranteeing the sustainability of all farming operations.



*Image Credit: Taylor Williams, Moore County Extension*

- **Compatibility:** Collaborative farming experts recommend that all farmers considering a business collaboration take a personality test. The values and guiding principles of the collaboration should be shared by all and should include good communication, transparency, trust, and flexibility.
- **Skills:** One of the most important steps when forming any business is to assess the talent of the key people involved. Farming is no different. If there is a gap in the team, consider whether hiring a professional to fill that gap is a prudent cost measure. For

example, if no one in the collaboration likes or has the skill to keep a steady eye on the finances, think about outsourcing the books to a third party professional.

- **Values:** Identifying shared values is key to the successful launch and operation of any business. All parties should take a few minutes early in their conversations to identify their values for the business – profitability, sustainability, as well as any community benefits.



Image from "Collaboration? Take the Broad View," by Thomas Curran. Januarv/Februarv 2016. *Today's Farm*.

- **Resources Available:** Access to needed resources is key to a collaborate arrangement. If combining resources (land, equipment, capital, labor, etc.) does not lead to profitability, then there is no reason to collaborate. Before entering into any collaboration, be sure to conduct a financial analysis to

determine its feasibility, including cash flow and revenue projections for a 3-5 year period.

Assessing the above compatibility factors before entering into a collaboration is a useful business planning tool. Any reservations or conflicts revealed early in the relationship, if not resolved, will most likely lead to problems down the road. It's better to know what to expect going into this "marriage" than seeking a divorce later because of irreconcilable differences.

## Basic Legal Structures Used In Collaborative Farming

*Below is a brief review of the major types of legal structures that can be used to establish a collaborative farming relationship. More information on how to structure a business in North Carolina can be found in the NC State University publication of a 2004 article by Ted Feitshans, "Deciding How to Structure Your Business."<sup>x</sup>*

### Partnerships:

Partnerships fall into two general categories: a General Partnership or a Limited Partnership. Partners in a general partnership are responsible for the repayment of all partnership debts and obligations, regardless of the amount of their investment in the partnership. All partners in a general partnership can act on behalf of the partnership, thus committing the partners to legal responsibility for all partnership actions.

For example, Partners A, B, and C each invest \$100,000 in a partnership. Partner A then commits the partnership to a \$1,000,000 loan from the bank, which the partnership cannot repay at the due date. Partners A, B, and C are each fully liable for repayment of the outstanding indebtedness of the \$1,000,000 bank loan. If Partner A committed the partnership to the loan without the knowledge or consent of Partners B and C, Partners B and C may have legal recourse against Partner A to indemnify them for any amount repaid by them beyond their investment; but as far as the bank is concerned, Partners A, B, and C are each legally obligated to pay the full amount of partnership indebtedness regardless of their investment amount.

A limited partnership, on the other hand, generally has only one general partner and one or more limited partners. The limited partners are not responsible for the repayment of partnership debts. (Their investment in the partnership, however, may be lost once partnership assets are exhausted to repay the loan.) Taking the same example above, but changing the scenario so that Partner A is the general partner, and Partners B and C are each limited partners, Partners B and C have no exposure to the bank for repayment of the loan (beyond their \$100,000 investments in the partnership). Partner A, however, will be fully responsible for repayment of the bank loan beyond any repayment of the loan made by the partnership.

It is important that the partnership agreement be in writing to clarify the roles and responsibilities of each of the partnerships. An example of a simple farm partnership agreement can be found in the Appendix to this directory, and more information on farm partnerships can be found at the links below.<sup>xi</sup>

Limited partnerships must file with the Secretary of State of North Carolina.

### Cooperatives:

Cooperatives (and Limited Liability Companies that follow cooperative principles) are the most formal and democratically organized form of collaborative farming enterprise and follow the seven Rochdale principles:

1. Voluntary and open membership (no discrimination based on gender, religion, sex, race, nationality, or political identification).
2. Democratic owner control (each member owner gets one vote and one share).



*Image Credit: Debbie Roos, Chatham County Extension*

3. Owner economic participation (each member owner contributes equitably and controls the capital of the cooperative; benefits are returned to the member owners according to their use of the cooperative).
4. Autonomy and independence (cooperatives are owned by their member owners, not by absentee shareholders).

5. Education, training and information (cooperatives provide information and education to their members on a regular and continuing basis).

6. Cooperation among cooperatives (cooperatives support each other to strengthen the cooperative system).

7. Concern for community (cooperatives are rooted in community and seek to support its development).

This structure provides its member owners with limited liability protection, similar to the protection offered by corporations and LLCs, as well as possible eligibility for pass-through taxation under Subchapter T of the Internal Revenue Code. In the agriculture industry, most cooperatives are structured as producer cooperatives, meaning they are owned by their farmer members. Examples of large national producer cooperatives include Blue Diamond Growers, Ocean Spray, Florida's Natural Growers, Land O' Lakes, Riceland Foods, Sunkist Growers, and Welch's. North Carolina producer cooperatives include such established businesses as the Carolina Blueberry Association<sup>xii</sup> in Garland, NC and Western NC Apple Growers Cooperative, Inc., in Hendersonville, NC. CROPP Cooperative, profiled in this report, is a Wisconsin cooperative that has expanded nationally and has products branded under the "Organic Valley" name. CROPP started as a 7-member dairy cooperative but now offers organically grown fruits and vegetables, grain, and other food products organized into different "pools." In North Carolina, six dairy farmers are members of CROPP Cooperative.

These larger cooperatives typically offer packing, processing, storage, and distribution

services for their farmer members in addition to marketing and sales.

The cooperative structure, however, can also lend itself to smaller groups of farmers and growers. Down East Fresh, NC Natural Hog Growers Association, Piedmont Wholesale Flowers, and several cooperatives from the seafood industry, including the American Prawn Cooperative, The Fish Connection, Fresh Keepers Tilapia, and Walking Fish Cooperative, are all profiled in this directory as small producer cooperatives that have survived the startup years and are experiencing enough benefit to continue as cooperatives.



*Image Credit: Debbie Roos, Chatham County Extension*

There are some instances of innovative cooperative formation in North Carolina. For example, the Sandhills Farm to Table Cooperative, which is profiled in this report, is an example of a multi-stakeholder cooperative consisting of producers, workers, and consumers. Multi-stakeholder cooperatives are structured with different classes of membership which may include producers as one class, workers as a second class, consumers as a third class, and so on. Sandhills Farm to Table was the pioneer in the movement in farming multi-stakeholder CSA

cooperatives. This model has been replicated and expanded upon by Fifth Season Cooperative in Wisconsin,<sup>xiii</sup> as well as other innovative cooperative models. These national models are showcased in a recent webinar on “How Young Farmers Are Using Cooperatives to Build Successful Farms,”<sup>xiv</sup> a joint production of the Democracy At Work Institute<sup>xv</sup> and National Young Farmers Coalition<sup>xvi</sup>.

The US Department of Agriculture is a great resource for information on the cooperative structure.<sup>xvii</sup> It has staff who specialize in cooperative development and over the past decade has also funded technical assistance providers to aid in cooperative formation and development. In North Carolina there are four organizations who have been awarded this funding by USDA:

- Carolina Common Enterprise <sup>xviii</sup>
- Rural Advancement Foundation Inc.<sup>xix</sup>
- Land Loss Prevention Project<sup>xx</sup>
- North Carolina State University (Plants for Human Health Institute)<sup>xxi</sup>

Carolina Common Enterprise (CCE) is a cooperative development center that provides technical assistance to individuals and businesses seeking to form commonly and mutually owned enterprises. Specific to collaborative farming, CCE supported the development of and provided legal services to Down East Fresh and Sandhills Farmers Cooperative, both mentioned in this report. The Land Loss Prevention Project provides legal support and assistance to financially distressed and limited resource farmers and landowners in North Carolina. RAFI (Rural Advancement Foundation Inc.) has a mission to “cultivate markets, policies, and communities that sustain thriving, socially just, and environmentally sound family farms.” Through its Innovation Fund it has

provided small grants to over 600 farming enterprises in NC and the Southeastern United States, including the Sustainable Agriculture Tool Lending Library,<sup>xxii</sup> a cooperative of 10 farmers in the Person County region who use their cooperative to purchase equipment to share among members.



*Image Credit: Debbie Ross, Chatham County Extension*

North Carolina State University (PHHI) has used funding from USDA’s Rural Cooperative Development Grant program to undertake feasibility studies and provide business planning for farmers seeking assistance on collaborative projects. The role of the university and the other technical assistance providers named above, as well as of other individuals, associations, and organizations passionate about the profitability of America’s farmers, is critical to the success of the cooperative movement in the agricultural economy. To illustrate this point, below are two examples of cooperative development inspired by NC Cooperative Extension staff.

Mike Frinsko of NC Cooperative Extension tells the story of how he came to assist the development of three cooperatives in the NC aquaculture industry at a time when there were few other technical assistance providers in the state. Frinsko had worked in the



Midwest, a part of the country with greater familiarity with the cooperative structure, prior to moving to North Carolina. From his past Midwestern experience, he understood the dynamics of growers working together and was therefore concerned by the tough competition that he saw in the North Carolina aquaculture industry. He contacted USDA directly in Washington, DC for assistance, and 18 months later the first aquaculture coop was launched in NC. Frinsko observed that when markets are good, the coop members work better together, but when the markets are bad, there is more frustration. He also observed that coops remove some of the farmer's flexibility and independence, but that there is marketing strength when the members sell through the cooperative.

Kelly Liddington, former County Director of Union County Cooperative Extension, assisted in the development of a fruit and vegetable grower collaborative in Virginia, where he was the Richmond County, Virginia Extension Director. This collaborative formed in the 1980s because its founding members came to the realization that they needed to join together to sell to institutional markets. This collaborative now owns a large shipping facility, sets its parameters at the beginning of every season, and pools the prices of its produce, thus taking the sting out of competition. Liddington cautions that a collaborative will not be successful unless there is the right catalyst, and in his experience, the typical catalyst is adversity. He also encourages potential collaborative members to spend time together. A road trip to Florida bound together the founding members in this Virginia collaborative.

Under NC law, the minimum number of members to start a coop is five. Cooperatives are defined by their democratic principle of

one member, one vote. In other words, a member can only have one common share in the cooperative, thus giving all members equal voice in decision-making. Cooperatives are formed by filing their articles of incorporation with the Secretary of State and also in the county where the cooperative's principal office is located.

Cooperatives may be "open," meaning non-members may use their services, or "closed," meaning only members may use the coop's services. Each of the cooperatives listed in this directory is a closed cooperative; however, several of them contract with non-member growers to provide needed product.

Types of services provided by producer cooperatives include education, marketing, input and equipment purchasing, storage, processing, and sales.

Finally, only an enterprise formally organized as a cooperative under state law can use the word "cooperative" in its official business name.

### **Limited Liability Companies:**

A limited liability company (LLC) has greater flexibility as a legal structure than a cooperative. It may be formed with a single member (as opposed to the minimum of 5 required by NC cooperative law), and its governing rules are established in an operating agreement, as opposed to bylaws. Some LLCs choose to operate "like a cooperative" by including the cooperative one member/one vote principle described above in their operating agreements. However, unlike a cooperative where the one member/one vote principle constitutes the very heart of what it means to be a cooperative, future LLC members could

amend the LLC's operating agreement to rid it of this principle.

The LLC is not required to have a board of directors by law, whereas NC law requires a cooperative to have a board of directors. Profit-sharing practices may also vary depending on whether the business is structured as an LLC or a cooperative. Members of a cooperative typically share in the profits based on their "patronage" or use of the cooperative. LLCs may similarly distribute profits or choose a different formula for distribution.

Like the cooperative, the LLC also has a tax advantage when compared to a corporation, because it is typically treated as a pass-through organization..

Limited liability companies must file articles of organization with the NC Secretary of State's office.

Eastern Carolina Organics and Tar River Poultry Initiative, profiled in this report, are both limited liability companies.

### **Corporations:**

There are two types of corporations – the C corporation and the S corporation. Both offer their shareholders limited liability protection as well as a means to raise outside capital through the sale of shares. They vary in terms of the number of shareholders they may have (S corporations are limited to 100 members) as well as in taxation (S corporations may elect pass-through taxation; in C corporations revenue is taxed at the corporate level and at the shareholder level).

Control of the corporation resides in the board of directors. A major difference between a corporation and a cooperative is share voting. In a cooperative each member has one share and one vote. In a corporation, each shareholder votes his or her shares. A shareholder who owns 10 shares of a corporation will get 10 votes. A shareholder who owns 1 share of a corporation will get 1 vote.

Hamrick Brothers, profiled in this report, is a corporation.

### **Associations and Non-profit Corporations:**

We have included some farmer associations in this directory as examples of collaborative farming because of the grower networking platforms they provide. Grower associations are typically organized as non-profit entities, but use of the word "association" in a business name does not necessarily mean that the business is a non-profit. (For example, the NC Natural Hog Growers Association is a for-profit cooperative enterprise).

All associations may charge a fee to join the membership. Fees will be considered taxable revenue unless the association also seeks tax exempt status from the federal government. Associations organized as non-profit with federal tax exempt status may also seek grants, donations, and even educational conference registration fees as additional non-taxable revenue sources.

The typical non-profit association provides educational resources and trainings to its members, and some associations lobby for policy change at the local, state, and federal levels. Associations that support collaborative

farming may incubate the development of separate commercial enterprises that include some or all of the association's members. For example, the North Carolina Shellfish Growers Association in Cedar Island, NC provides key trainings and acts as a networking vehicle for shellfish growers considering collaborative enterprises. This may be true of other commodity associations in the state as well. Their role in building collaborations among growers cannot be stressed enough.

The Piedmont Progressive Farmers Group, a new member-based non-profit in Caswell County that is profiled in this study, seeks to build collaborative relationships among area farmers to ease access to markets and build more profitability into member operations. While they operate on a much smaller scale than the state associations described above, they nonetheless play a significant role in the region in building trust among their members.

TRACTOR, an established non-profit food hub in Burnsville, manages Bowditch Bottoms, land protected by a conservation easement, and uses it to incubate young farmers.

Green Rural Redevelopment Organization, a young non-profit based in Henderson, NC, has supported the organization of urban farmers into a cooperative to serve its mission of rehabbing blighted neighborhoods by converting abandoned city lots into community gardens and greenhouses that employ youth. The Coalition for Healthier Eating in Bethel, NC, a startup non-profit food hub and meat processing facility, led the development of the Down East Fresh cooperative.

## In Summary

Collaborative farming arrangements across North Carolina vary in type, purpose, size, and effectiveness. No particular structure guarantees the potential for profitability. Rather, compatibility, equitable contribution of resources, proper planning, and when feasible, professional management, seem to be the keys to success.<sup>xxiii</sup>

Growers working together mention economies of scale and market access as the greatest benefits of collaboration. The greatest challenges include the loss of independence by each individual grower, working "cooperatively" with one another, understanding the new legal structure, and ensuring compliance by all parties to mutually set expectations.

## NC Collaborative Farming Entries

Research conducted to produce this report included phone or in-person interviews of the representative identified for each of the entries in this report. Several seafood cooperatives are included because they provide some of the best examples of collaboration among small/mid-scale food producers.

Not every collaboration in the state was interviewed for this report. For example, there are a few emerging cooperatives as well as innovative non-profits in the state which are not included because of their lack of history. The report also does not include an example of a farming partnership operating in North Carolina nor does it include any

examples of collaborations that have come as a result of family succession planning. The collaborative enterprises that are showcased in the report also do not include all food hubs. Our intention in writing this report is to showcase those enterprises that best represent the state of collaborative production farming in North Carolina.

Certain entries state that the buy-in price is “low,” “moderate,” or “high.” For purposes of this directory, a “low” buy-in price is less than

\$100; a “moderate” buy-in price is between \$100 and \$500; and a “high” buy-in price is more than \$500.

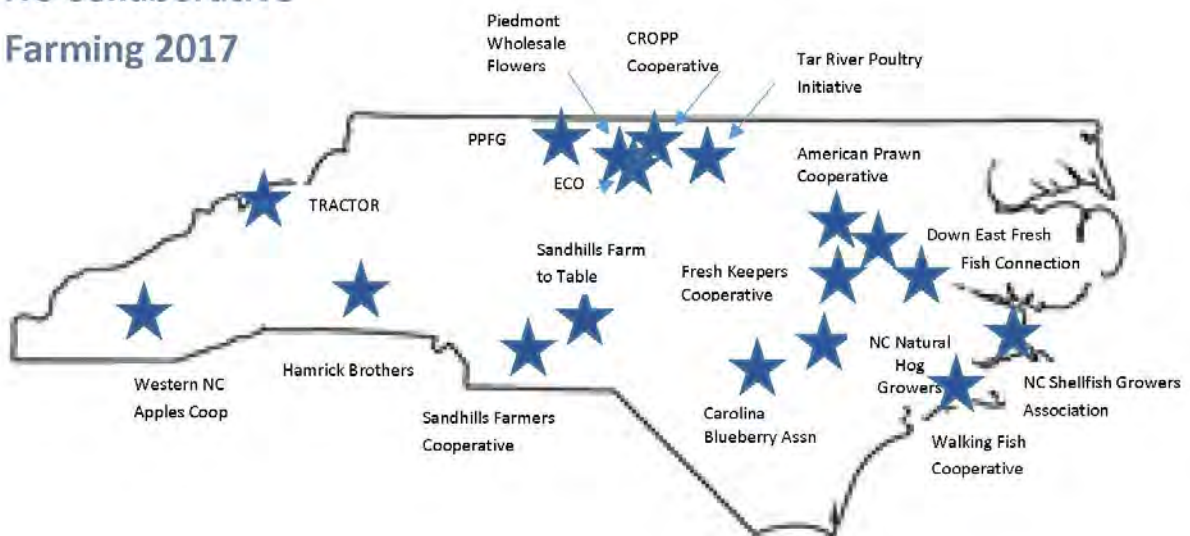
When an entry states that it is “open to contract,” growers who are not members of the collaborative farming enterprise may still work with the enterprise on a contract basis.

Included at the end of the entries are brief highlights of collaborations initiated by or involving non-profit associations.

Name of Enterprise	Type of Enterprise	Number of Producer Members	Page Number
Hamrick Brothers	Corporation	2	14
American Prawn Cooperative	Cooperative	5	16
Piedmont Wholesale Flowers	Cooperative	10	18
NC Natural Hog Growers Association	Cooperative	19	20
Walking Fish Cooperative	Cooperative	13	22
Sandhills Farm to Table Cooperative	Cooperative	36	24
The Fish Connection Cooperative	Cooperative	4	26
Down East Fresh	Cooperative	11	28
Fresh Keepers Cooperative	Cooperative	5	30
CROPP Cooperative	Cooperative	6 in NC; 2,000 nationally	32
Eastern Carolina Organics	LLC	17	34
Tar River Poultry Initiative	LLC	4	36

The map below provides a geographic representation of the collaborative farming enterprises in North Carolina. These enterprises are fairly scattered throughout the state. Seafood and aquaculture grower collaborations are concentrated in the eastern part of the state in part due to their proximity to coastal areas but also as a result of the work of a few dedicated Extension agents. There are also several collaborations in and near Durham as well as an emerging presence of cooperatives in the Sandhills Region. The Sandhills Farmers Cooperative, for example, was incorporated in 2015 to serve the institutional buyer market in that region, whereas Sandhills Farm to Table Cooperative, profiled in this report, serves the consumer market in the region.

## NC Collaborative Farming 2017



The oldest examples of collaboratives in the state are the Carolina Blueberry Association and Western NC Apples Cooperative. Both of these cooperatives were founded by growers of a dominant crop in their respective regions.



Sammy Thompson and Max Hamrick

## **HAMRICK BROTHERS INC.**

**maxj19@bellsouth.net/ 704.472.2371**

**321 Bradley Road, Shelby, NC 28152**

Hamrick Brothers Inc. is a corporation located in Cleveland County. It was incorporated in 1976 as an agriculture enterprise with three shareholders. It has operated for over 40 years as a collaborative farming enterprise between two families, and the operation's focus has changed from cotton ginning, trucking, and cattle to primarily wheat and soybean production. The corporation owns some land, but leases the bulk of the land that is farmed from its shareholders. The corporation also owns all of the equipment that is used for the farming operation. The shareholders are employees of the corporation and are paid an annual salary. The collaboration has worked because the shareholders had different skill sets and interests which supported the operation.

*... excerpt from Interview with Max Hamrick*



## OWNERSHIP

No. of Owners:	2
Open to New Members:	No
Open to Contract Growers:	N/A

## SERVICES

Refrigerated Storage:	N/A
Packing and Grading:	N/A
Washing:	N/A
Freezing:	N/A
Branding of Products:	Yes
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes
Food Safety Training:	No
Non-compete Clause:	No
Owner-managed:	Yes
No. of Employees:	2

## MARKETS

Wholesale:	Yes
Direct to Consumer:	No
Direct to Restaurant:	No

**Contact Representative:** *Max Hamrick, President*  
*maxj19@bellsouth.net*  
 704.472.2371

## WHY DID YOU CHOOSE A CORPORATE STRUCTURE?

"We had been working together for several years in an informal "partnership." Our accountant advised us to organize a corporate structure for liability and tax reasons, as well as to formalize our working arrangement."

*... Max Hamrick*

## LESSONS LEARNED:

"We "tested" our collaboration by working together for several years before deciding to formally organize as a corporation. This allowed us to see how our personalities would mesh."

*Max Hamrick*

## COOPERATIVE



## AMERICAN PRAWN COOPERATIVE

[apcprawn.com/](http://apcprawn.com/) 252.747.2347/ [info@apcprawn.com](mailto:info@apcprawn.com)

591 Castoria Road, Walstonburg, NC 27888

The APC Cooperative has been operating in Walstonburg (near Greenville, NC) since 2011. Its farmer members maintain the product until the day of harvest when the coop takes possession, grades, processes, boxes, labels, and markets the product. A cousin to marine shrimp, the Freshwater Prawn (*Macrobrachium rosenbergii*) is exceptionally well suited for production in eastern NC. Following research-based best management practices from North Carolina State University (NCSU), Mississippi State University and other leading institutions, North Carolina prawn farmers have demonstrated, year after year, their competency in matching or exceeding production yields compared to their counterparts elsewhere in the United States and overseas.

... Excerpt from *apcprawn.com*





## MEMBERSHIP

No. of Members:	5
Open to New Members:	Yes
Open to Contract Growers:	Yes
Cash Buy-In:	Moderate

## SERVICES

Refrigerated Storage:	Wilco Cold Storage (Wilson)
Packing and Grading:	Yes
Washing:	Yes
Freezing:	BMIL Power Blast Unit
Branding of Products:	Yes
Advertising of Products:	Yes
Sales of Products:	Yes
Production Planning:	Yes, Annually
Food Safety Training:	Yes
Non-compete Clause:	Yes
Member-managed:	Yes
No. of Employees:	0

## MARKETS

Wholesale:	Yes
Direct to Consumer:	Not currently, but interested
Direct to Restaurant:	Not currently, but interested
Contact Representative:	Don Ipock, Marketing and Sales info@apcprawn.coop 252.747.2347

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"Farmers in five different counties were harvesting within days of one another and competing for the same market. We couldn't offload our harvest in eastern NC on any given harvest day and we needed to pull our resources together. We were all at the same meeting when a presenter told us about the cooperative structure. It was a good alternative."

... Don Ipock

## LESSONS LEARNED:

"You must have the right people involved. Getting independent farmers to work together is the biggest challenge. Someone must understand the business of marketing the product. Otherwise you need to hire a professional."

... Don Ipock

## COOPERATIVE



CASEY.TOTH@CTOTH@CASE.COM

## PIEDMONT WHOLESALE FLOWERS

[piedmontwholesaleflowers.com/919.355.5521](http://piedmontwholesaleflowers.com/919.355.5521)  
[piedmontwholesaleflowers@gmail.com](mailto:piedmontwholesaleflowers@gmail.com)  
902 North Mangum Street, Durham, NC 27701

Piedmont Wholesale Flowers is a cooperative venture connecting local growers and wholesale buyers. Our farmers raise the freshest flowers on small farms around central North Carolina. Together they supply a reliable source of seasonal stems that showcase the beauty and abundance of our region. Our market creates a collaborative space where local, innovative florists and floral designers can source locally grown flowers and foliage. We cater to florists and wholesale buyers looking to source the freshest cuts that represent a seasonal sense of place.

*...excerpt from [piedmontwholesaleflowers.com](http://piedmontwholesaleflowers.com)*

Piedmont Wholesale Flowers was formed as a producer cooperative in 2017.



## MEMBERSHIP

No. of Members:	10
Open to New Members:	Yes
Open to Contract Growers:	Yes
Cash Buy-In:	Low

## SERVICES

Refrigerated Storage:	Yes
Packing and Grading:	N/A
Washing:	N/A
Freezing:	N/A
Branding of Products:	N/A
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes
Food Safety Training:	N/A
Non-compete Clause:	No
Member-managed:	Yes
No. of Employees:	1 part-time

## MARKETS

Wholesale:	No
Direct to Consumer:	No
Direct to Retailers:	Yes

**Contact Representative:** Kelly Morrison, Board President  
 piedmontwholesaleflowers@gmail.com  
 917.355.5521

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"It was important to us to maintain control over our products and the direction of the market. We felt that we, as producers, were the most capable of making important decisions about the operation of the business. The cooperative structure allowed us all as owners to actively participate in the business, not just sell to it."

... Kelly Morrison

## LESSONS LEARNED:

"A cooperative can be a very cumbersome structure and at times, hard for members to think 'cooperatively.' We all agree that it is important to maintain control and decision making, but it takes extra effort to work together."

... Kelly Morrison

COOPERATIVE



## NC NATURAL HOG GROWERS ASSOCIATION

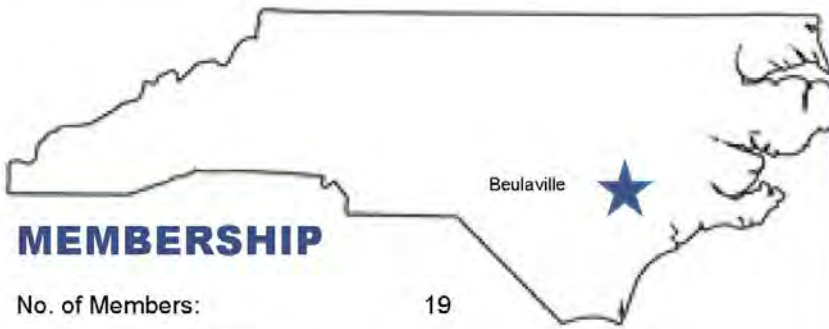
910.290.2547

Beulaville, NC

NC Natural Hog Growers Association was launched in 2007 and currently is comprised of 19 members. In 2009, producer members made Animal Welfare Approved certification a requirement of its production standards. As a result the animals are not crated, and receive neither antibiotics nor hormones.

The association has found a market with customers who share its values and has become a marketing vehicle for many hog farms who otherwise would have had to resort to contract farming

*... Excerpted from Interview with Jeremiah Jones*



## MEMBERSHIP

No. of Members:	19
Open to New Members:	Yes
Open to Contract Growers:	No
Cash Buy-In:	Moderate

## SERVICES

Refrigerated Storage:	No
Packing and Grading:	No
Washing:	No
Freezing:	No
Branding of Products:	N/A
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes, Annually
Food Safety Training:	No
Non-compete Clause:	Yes
Member-managed:	Yes
No. of Employees:	0

## MARKETS

Wholesale:	Yes
Direct to Consumer:	No
Direct to Restaurant:	No
Contact Representative:	Jeremiah Jones, President 910.290.2547

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"We were all small scale operators who believed that our livestock should be raised in a natural environment, but none of us could make it independently. We started researching cooperative structures in 2007 and had formed by 2009 to market collectively."

... Jeremiah Jones

## LESSONS LEARNED:

"It's a hard road, especially with the new members, to have to learn to make decisions together. It's important that everyone understands the rules."

... Jeremiah Jones

## COOPERATIVE



## WALKING FISH COOPERATIVE

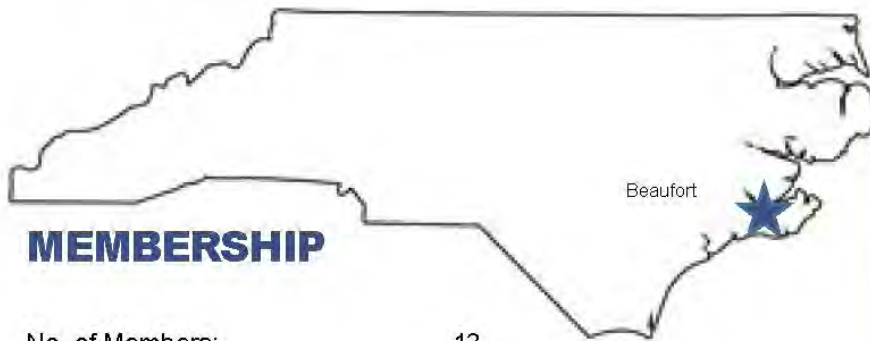
[walking-fish.org/](http://walking-fish.org/) 252.728.6644

[info@walking-fish.org](mailto:info@walking-fish.org)

P.O. Box 2357, Beaufort, NC 28516-7908

The Walking Fish Cooperative operates a community-supported fishery (CSF) during the spring, fall, and winter months in the metropolitan Triangle region of North Carolina. A **community supported fishery (CSF)** is based on the community supported agriculture (CSA) model. A CSF involves pre-payment by consumers for a 'share' of fresh, locally harvested seafood (i.e., a set amount of seafood generally picked up by the consumer at locations in the Triangle on a weekly or bi-weekly basis). Walking Fish was initiated by a group of graduate students at Duke University's Nicholas School of the Environment in 2009 in partnership with a number of North Carolina-based for-profit and non-profit organizations. In 2011 the core fishermen involved in Walking Fish formed a cooperative to assume leadership for Walking Fish. The cooperative believes that people – whether they are coastal fishermen or local consumers – play an important role in creating solutions to the social, economic, and environmental challenges we face. The goals of this business are simple: to foster **economic opportunities**, to cultivate **healthy communities**, and to encourage **environmental stewardship**. Walking Fish recognizes that conservation is intimately linked to the well-being of people and communities, and we believe that in order to work towards ecological sustainability we must also work towards local economic stability and social equity.

*... Excerpt from walking-fish.org*



## MEMBERSHIP

No. of Members:	13
Open to New Members:	Yes
Open to Contract Growers:	No
Cash Buy-In:	Moderate

## SERVICES

Refrigerated Storage:	Yes
Packing and Grading:	Yes
Washing:	Yes
Freezing:	Yes
Branding of Products:	Yes
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes, Annually
Food Safety Training:	Yes
Non-compete Clause:	No
Member-managed:	Yes
No. of Employees:	1 full-time (Sales)

## MARKETS

Wholesale:	No
Direct to Consumer:	Yes (CSF)
Direct to Restaurant:	No
Contact Representative:	<i>Bill Rice, President info@walking-fish.org 252.728.6644</i>

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

“After becoming a pioneer of the community-supported fishery, the core fisher men and women who supplied the fresh product for that pilot came together as a cooperative to provide legitimacy, networking opportunities, and market security.”

... *Bill Rice*

## LESSONS LEARNED:

“We have successfully increased awareness and demand for our product in the Triangle consumer market. The CSF model has worked for us. We have not been as successful with institutional buyers.”

... *Bill Rice*

COOPERATIVE



## **SANDHILLS FARM TO TABLE COOPERATIVE**

[www.sandhillsfarmtotable.com/](http://www.sandhillsfarmtotable.com/) 877.940.7328

[info@sandhillsfarm2table.com](mailto:info@sandhillsfarm2table.com)

PO Box 714, Southern Pines, NC 28388 (Office)

3196 Vass-Carthage Road, Carthage, NC 28327 (Packing)

Sandhills Farm to Table Cooperative is a growing community of more than 2,000 neighbors who have come together around fresh, local food. It is a cooperative corporation enterprise bringing fresh, locally grown food produced by Sandhills farmers and artisans to households in the Sandhills. Throughout the Sandhills growing season the Sandhills Farm to Table Cooperative provide recipes and storage tips for what's in season, holds taste tests, cooking and preserving classes for children and adults, potlucks and farm tours. It is engaged in its community, helping to improve the quality of life for all, making local food accessible to Sandhills families, and securing a living for the next generation of farmers.

Sandhills Farm to Table is the first cooperative in the nation where producers, consumers, and staff are all equal owners. Every household who sells or buys food through SF2T Cooperative, and all staff making the connections, must become a member each year. Each membership group elects 2 directors, and board decisions require at least one vote from each group.

... Excerpt from [sandhillsfarmtotable.com](http://sandhillsfarmtotable.com)





## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"It seemed like the best community-based solution to connect individuals wanting the freshest food possible with farmers who grow food for local consumption. The recognition that we're all in this together – consumers, workers, and growers – is the first step towards building a local food system that works for everyone."

... Jan Leitschuh

### MEMBERSHIP

No. of Producer Members:	36
Open to New Members:	Yes
Open to Contract Growers:	No
Cash Buy-In:	Low

### SERVICES

Refrigerated Storage:	No
Packing and Grading:	Yes
Washing:	No
Freezing:	No
Branding of Products:	Yes
Advertising of Products:	Yes
Sales of Products:	Yes
Production Planning:	Yes
Food Safety Training:	No
Non-compete Clause:	No
Member-managed:	Yes
No. of Employees:	1 FT; 7 PT

### MARKETS

Wholesale:	No
Direct to Consumer:	Yes
Direct to Restaurant:	No

**Contact Representative:** Produce Manager  
 info@sandhillsfarm2table.com  
 877.940.7328

## LESSONS LEARNED:

"Community buy-in is essential for a successful multistakeholder-owned CSA. Using the safest methods of handling post-harvest produce is key to a quality product that results in a happy customer base."

... Jan Leitschuh

## COOPERATIVE



## THE FISH CONNECTION COOPERATIVE

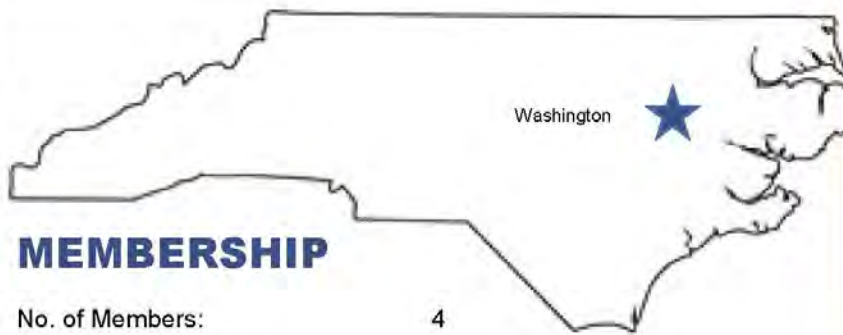
[thefishconnection.net/](http://thefishconnection.net/) 252.974.0004

[fishconcoop@embarqmail.com](mailto:fishconcoop@embarqmail.com)

310 W. Main Street, Suite 201B, Washington, NC 27889

The Fish Connection Cooperative was established in 2002 by a group of North Carolina aquaculture producers. Each producer shared the goal of working together in order to provide their customers with the highest quality, farm raised hybrid striped bass 52 weeks a year. Many of the member producers choose the traditional pond environment for raising the coop's premium quality hybrid striped bass. In addition to the pond environment, some member producers use outdoor tanks as an excellent growing environment. The coop's newest producer uses a state of the art indoor growing facility. The ability to completely control temperatures, water quality and protection from the elements enables the premium quality hybrid striped bass to excel in growth. Each producer guarantees that no antibiotics or hormones are used during the growth phases of the premium quality hybrid striped bass. The coop is expanding to offer any farm-raised aquatic species.

*...Excerpted from the fishconnection.net*



## MEMBERSHIP

No. of Members:	4
Open to New Members:	Yes
Open to Contract Growers:	Yes
Cash Buy-In:	Moderate

## SERVICES

Refrigerated Storage:	No
Packing and Grading:	No
Washing:	No
Freezing:	No
Branding of Products:	Yes
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes, Annually
Food Safety Training:	No
Non-compete Clause:	Yes
Member-managed:	Yes
No. of Employees:	1 part-time (Sales)

## MARKETS

Wholesale:	Yes
Direct to Consumer:	No
Direct to Restaurant:	No

**Contact Representative:** *Christie Potts, Marketing and Sales  
fishconcoop@embarqmail.com  
252.974.0004*

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"We were all small-scale producers who needed to figure out how to develop a year-round market. We worked with NC Cooperative Extension to form our marketing cooperative and have benefitted by getting a higher price for our product."

... Christie Potts

## LESSONS LEARNED:

"Our members love the farming but not the marketing. We were fortunate to have an established market and to hire a professional sales person."

... Christie Potts

## COOPERATIVE



## DOWN EAST FRESH

[mooresproducefamilyfarm@gmail.com](mailto:mooresproducefamilyfarm@gmail.com)/ 252.702.7183

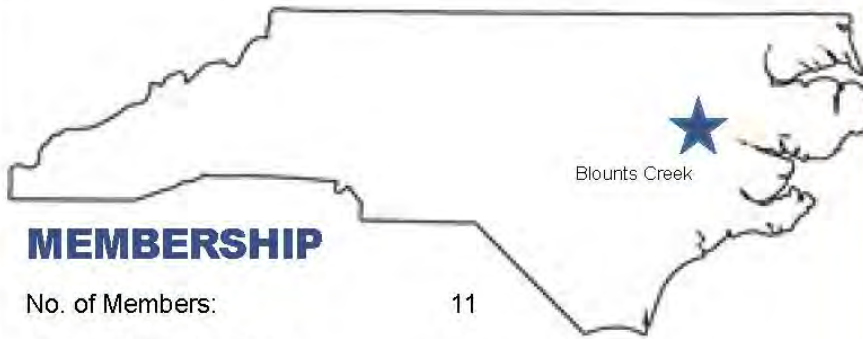
1990 Core Point Road, Blounts Creek, NC 27814

Down East Fresh is a producer cooperative that organized in 2015. Currently comprised of eleven small-scale farmers, it sells at regional farmers markets and to the Coalition for Healthier Eating's Community Food Hub in Bethel, NC. Product includes beef, pork, poultry, goat, and vegetables. Members also sell directly to restaurants.

While still a very young organization, Down East Fresh has already seen some benefit from operating in a cooperative manner. Access to capital, equipment, and bulk purchasing have been the chief advantages of working together.



... Excerpted from interview with Kelton Moore



## MEMBERSHIP

No. of Members:	11
Open to New Members:	Yes
Open to Contract Growers:	No
Cash Buy-In:	Moderate

## SERVICES

Refrigerated Storage:	Yes
Packing and Grading:	Yes
Washing:	No
Freezing:	No
Branding of Products:	Yes
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes, Annually
Food Safety Training:	Yes
Non-compete Clause:	No
Member-managed:	Yes
No. of Employees:	0

## MARKETS

Wholesale:	No
Direct to Consumer:	Yes
Direct to Restaurant:	Yes

Contact Representative: *Kelton Moore*  
*mooresproducefamilyfarm@gmail.com*  
 252.702.7183

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"We heard that the cooperative structure would allow several farmers to work together to get purchasing and bargaining power. We consulted with a professional cooperative development firm first, then started the steps to incorporate as a cooperative. We have reduced our individual costs of operation by purchasing inputs through the cooperative."

... *Kelton Moore*

## LESSONS LEARNED:

"Finding the time to make decisions together is the most challenging aspect of being in a cooperative. However, the benefits are worth the challenges."

... *Kelton Moore*

## COOPERATIVE

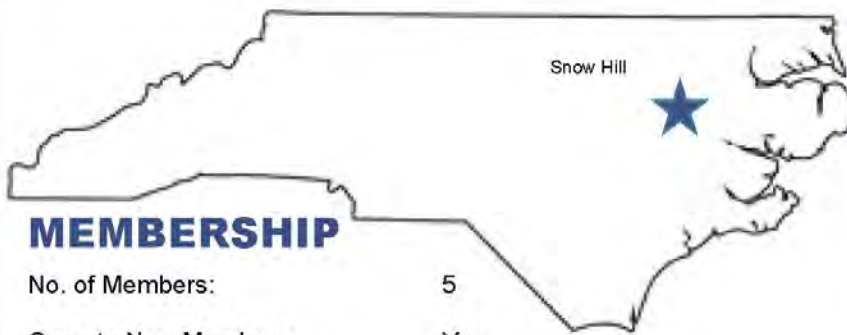


## **FRESH KEEPERS COOPERATIVE, INC.**

**[www.freshkeepers.com/](http://www.freshkeepers.com/) 252.747.3284  
freshkeepers@gmail.com  
520 Pridgen Road, Snow Hill, NC 28580**

Fresh Keepers, Inc. was formed in December of 2008 by a group of independent tilapia fish producers. Having a desire to market tilapia collectively, versus competitively, the cooperative began operations on January 1, 2009. The duration is perpetual with the purpose of marketing tilapia, but not limited to aquacultured fish produced by its member producers. The product that Fresh Keepers produces is tilapia (fish). Tilapia is a tropical fish in nature living in warm fresh and brackish waters around the world. Fresh Keepers producers have a combined 80 years of experience with most having backgrounds in animal husbandry. The producers know their RAS (recirculating aquaculture system) and know their system's production potential and limitations. Each producer plans placement scheduling to ensure year-round production. Producers know how to keep the tilapia healthy by keeping their water quality at its best. The fish are traceable and the feeds have traceable ingredients. Quality fish production is a deep core value at Fresh Keepers.

*... Excerpt from [www.freshkeepers.com](http://www.freshkeepers.com)*



## MEMBERSHIP

No. of Members:	5
Open to New Members:	Yes
Open to Contract Growers:	No
Cash Buy-In:	Moderate

## SERVICES

Refrigerated Storage:	No
Packing and Grading:	No
Washing:	No
Freezing:	No
Branding of Products:	Yes
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes, Annually
Food Safety Training:	No
Non-compete Clause:	Yes
Member-managed:	Yes
No. of Employees:	2 part-time (Sales and Financial)

## MARKETS

Wholesale:	Yes
Direct to Consumer:	No
Direct to Restaurant:	No
<i>Contact Representative:</i>	<i>Dale Pridgen, President freshkeepers@gmail.com 252.747.3284</i>

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"We are a marketing cooperative. Our members prefer farming to marketing, so the coop takes the burden of having to market their product off the shoulders of our members. In addition, we don't want to compete against one another and do not want to engage in contract farming. Finally, we take pride in the production training we provide our members."

... Dale Pridgen

## LESSONS LEARNED:

"Production quality is our number 1 concern. If a member fails to meet our standards, we try to assist that member in every way we can. But sometimes that member will have to give up membership in the coop."

... Dale Pridgen



## **CROPP COOPERATIVE (ORGANIC VALLEY)**

[www.farmers.coop/919.605.5619](http://www.farmers.coop/919.605.5619)

[gerry.cohn@organicvalley.coop](mailto:gerry.cohn@organicvalley.coop)

413 E. Chapel Hill Street #7, Durham, NC 27701

The mission of CROPP is to create and operate a marketing cooperative that promotes regional farm diversity and economic stability by means of organic agricultural methods and the sale of certified organic products.

Governance is consistent management with cohesive policies, guidance, processes and decision-rights for a given area of responsibility. Through governance policies we determine who has power, who makes decisions and how other stakeholders make their voices heard.

At CROPP we believe that transparency and accountability build trust. We encourage staff and member partnerships within a highly participatory democracy.

The Cooperative Board provides framework and oversight in decision-making. Executive Committees offer guidance to the board and serve as a conduit to the membership in their regions. Staff manages the business and markets and sells our products. Management staff facilitates the Board decisions.

*... Excerpted from [www.farmers.coop](http://www.farmers.coop)*





## MEMBERSHIP

No. of Members:	2,000 (6 in NC)
Open to New Members:	Dependent on location, supply and demand, organic certification; currently limited to dairy in NC
Cash Buy-In:	Moderate

## SERVICES

Refrigerated Storage:	Yes
Processing:	Yes
Branding of Products:	Yes
Advertising of Products:	Yes
Brokering/Sales of Products:	Yes
Production Planning:	Yes, Annually
Food Safety Training:	Yes
Non-compete Clause:	Yes
Member-managed:	Yes
No. of Employees:	600 nationally (1 in NC)

## MARKETS

Wholesale:	Yes
Direct to Consumer:	No
Direct to Retailer:	Yes

**Contact Representative:** Gerry Cohn, SE Region Pool Manager  
 gerry.cohn@organicvalley.coop  
 919.605.5619

## WHY DID YOU CHOOSE A COOPERATIVE STRUCTURE?

"Believing in a new, sustainable approach to farming, Seven Wisconsin farmers came together in 1988 to form an organic dairy farming cooperative. They also knew the value of collective bargaining, strength in numbers, and farmer engagement at all levels of operation."

... Gerry Cohn

## LESSONS LEARNED:

"Growth continues to confound us. Our goal is to get the membership to come to the Wisconsin annual meeting. We put a lot of resources into transparency, community, and engagement. It's working great, but with some bumps in the road."

... Gerry Cohn

LIMITED LIABILITY COMPANY



## **EASTERN CAROLINA ORGANICS**

[easterncarolinaorganics.com/919.542.3264](http://easterncarolinaorganics.com/919.542.3264)

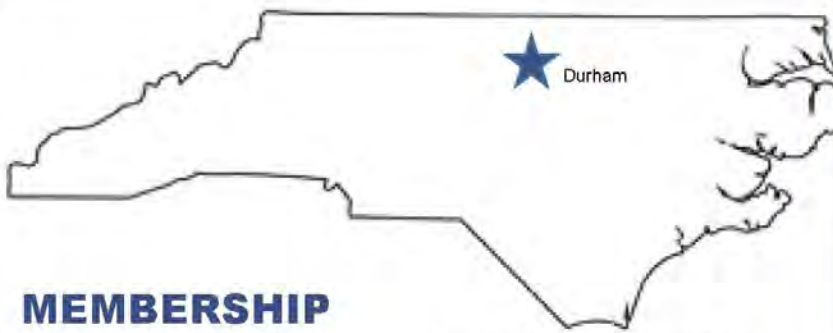
[info@easterncarolinaorganics.com](mailto:info@easterncarolinaorganics.com)

2210 E. Pettigrew Street, Durham, NC 27703

ECO is a farmer-owned, staff-owned, and woman-owned wholesale distributor based in Durham, North Carolina, connecting local and national retailers and food businesses with organic produce from family farms. By pooling diverse harvests from around the region, ECO supplies a steady stream of high-quality, seasonal food choices throughout the year. The company started in 2004 with the goal of helping transition tobacco farmers into organic vegetable production to meet an increasing need for local and organic produce in the marketplace. Since then, ECO has put more than \$20 million dollars in the pockets of family farmers.

ECO works with more than 100 farms from across the North Carolina, as well as some in Virginia and South Carolina. ECO's shipping capabilities run throughout the entire eastern half of the US. Most of its growers are certified organic or are in the process of transitioning to certification. In 2012, ECO purchased a warehouse and launched the ECO-HUB in order to provide affordable commercial rent to a tenant community of like-minded, values-based businesses making radical impacts.

*... Excerpt from [easterncarolinaorganics.com](http://easterncarolinaorganics.com)*



## MEMBERSHIP

No. of Members:	17 growers, plus tenured staff
Open to New Members:	Yes
Open to Contract Growers:	Yes

## SERVICES

Refrigerated Storage:	Yes
Packing:	Yes
Washing:	No
Freezing:	No
Branding of Products:	Yes
Advertising of Products:	Yes
Brokering/Sales of Products:	No
Production Planning:	Yes
Food Safety Training:	Yes
Non-compete Clause:	No
Member-managed:	No
No. of Employees:	12 Full-time; 2 Part-time

## MARKETS

Wholesale:	Yes
Direct to Consumer:	No
Direct to Restaurant:	Yes
Contact Representative:	Sandi Kronick, CEO info@easterncarolinaorganics.com 919.942.3264

## WHY DID YOU CHOOSE AN LLC STRUCTURE?

"Established as an LLC, ECO's cooperative ownership structure, which involves farmer-owners in corporate governance, is a key component to ensuring that its operation will always stay true to its core mission and values."

... Sandi Kronick



## LESSONS LEARNED:

"We're farmer-owned and we act like it. The value we place on transparency and communication has led to strong and lasting relationships with growers."

... Sandi Kronick



## **TAR RIVER POULTRY INITIATIVE, LLC**

**tarriverpoultry@gmail.com/ 919.414.3759**

**370 Brewer Road, Louisburg, NC 27549**

In 2017 four small Franklin County, NC farms came together as the Tar River Poultry Initiative (TRiP) in an effort to bring a mobile poultry processing unit to Franklin and surrounding counties. The four women met at a "Women in Ag" gathering hosted by Franklin County Extension in 2016. They quickly realized that they were facing many of the same challenges, including the lack of an accessible processing unit. Together they formed a collaborative to apply for a grant from the Rural Advancement Foundation, Inc. to purchase a mobile poultry processing unit. Their application resulted in a \$10,000 grant, roughly half the cost of the unit. TRiP provided the other half of the purchase cost, and the MPPU is now available for lease to other small farmers in the region.

*... Excerpted from Interview with Julie Gupton*



**MEMBERSHIP**

No. of Members: 4  
 Open to New Members: Yes  
 Open to Contract Growers: Yes

**SERVICES**

Equipment Leasing: Yes  
 Refrigerated Storage: No  
 Packing and Grading: No  
 Washing: No  
 Freezing: No  
 Branding of Products: No  
 Advertising of Products: No  
 Brokering/Sales of Products: No  
 Production Planning: No  
 Food Safety Training: Yes  
 Non-compete Clause: No  
 Member-managed: Yes  
 No. of Employees: 0

**MARKETS**

Wholesale: No  
 Direct to Consumer: Yes  
 Direct to Restaurant: Yes

Contact Representative: Julie Gupton, Member  
 tarriverpoultry@gmail.com  
 919.414.3759

**WHY DID YOU CHOOSE AN LLC STRUCTURE?**

"We needed a structure that would allow us to contribute to and operate the enterprise in a fair and equitable manner. We initially formed a collaborative, but in order to limit our liability were advised to form as a limited liability company."

... Julie Gupton

**LESSONS LEARNED:**

"Our hope is to help our small farming community gain access to new markets."

... Julie Gupton

## NON-PROFIT CORPORATIONS AND ASSOCIATIONS



### North Carolina Shellfish Growers Association

The North Carolina Shellfish Growers Association (NCSGA) is a nonprofit association that was founded in 1995 to represent the interests of the many people involved in the shellfish industry. As such it has a rather broad base of members including shellfish farmers, hatchery operators, seafood dealers, educators, researchers, government regulators, and service providers.

*Excerpt from [ncshellfish.org](http://ncshellfish.org).*

“In addition to its role as an educational and advocacy group, the NCSGA supports the formation of grower collaborations to assist in marketing, sales, and purchasing. The shellfish industry is new to North Carolina, which means there is a greater need to work together to establish a high quality export market. The NCSGA provides education and advocacy for its members, in addition to networking and collaboration opportunities.” . . . *Jay Styron*

### Piedmont Progressive Farmers Group

Formed as a nonprofit corporation in 2015 in Caswell County, the Piedmont Progressive Farmers Group has a mission to promote sustainable and diverse farming through education, training, technical assistance, and marketing in order to enhance the overall operation of disadvantaged farmers of the Piedmont region. *Excerpt from [www.ppfco-op.com](http://www.ppfco-op.com).*



“Because we have a significant educational component to our mission and seek financial support of our operations from foundations and other grant makers, it is important that we maintain our nonprofit status. As other commercial opportunities emerge, that structure may change or we may establish an affiliate for-profit operation. It is critical to surround ourselves with the right resources. Our educational mission has introduced us to a family of supporters that we as individual growers did not know existed.” . . . *Kent Williamson*



### Tractor Food and Farms – Bowditch Bottoms

TRACTOR Food and Farms is a non-profit food hub located in Burnsville, NC. It works with over 50 small family farms in Western North Carolina. Its mission is simple: “we want local produce grown by local farmers on local shelves. When you buy this produce, we work together to build a healthy community, healthy farms and a healthy economy-one bite at a time.” *Excerpt from [thetractorfoodandfarms.com](http://thetractorfoodandfarms.com).*

“Bowditch Bottoms farm in Yancey County was saved from development and placed into production through a purchase by Ken and Ida Brown. The Browns placed a conservation easement on the farm and then leased it to TRACTOR to incubate new farmers. Currently the land is farmed by 81 individuals, mostly from the High School FFA. It’s important to have your ducks in a row – know the regulations, how much staffing you need, and where to find the money. Partner with other agencies and organizations who understand the value of agriculture.” . . . *Robin Smith*

## ENDNOTES

<sup>i</sup> USDA defines small-scale farms as those grossing less than \$350,000 per year, and mid-scale as grossing \$350,000-\$1,000,000 per year.

<sup>ii</sup> <https://www.extension.iastate.edu/agdm/wholefarm/html/c4-43.html>;

[http://www.agweb.com/mobile/article/leave\\_a\\_legacy\\_whats\\_an\\_official\\_operating\\_agreement/](http://www.agweb.com/mobile/article/leave_a_legacy_whats_an_official_operating_agreement/) (using operating agreements as a succession planning tool).

<sup>iii</sup> For information on crop-share agreements, a good resource is the North Central Farm Management Extension Committee's "Crop Share Rental Agreements for your Farm," <http://aglease101.org/DocLib/docs/NCFMEC-02.pdf> and form, <http://www.agmanager.info/sites/default/files/NCFMEC-02A.pdf>.

<sup>iv</sup> For more information on farm business operating agreements, click on <https://www.extension.iastate.edu/agdm/wholefarm/html/c4-43.html>.

<sup>v</sup> Carolina Common Enterprise and the Land Loss Project, each located in Durham, NC, are both USDA-funded nonprofit cooperative development centers which offer incorporation and other legal services to collaborative farming groups.

<sup>vi</sup> "Collaborative Cost-cutting: Formally Farming Together," by Nate Birt, Ag Web 2016, <http://www.agweb.com/top-producer/article/collaborative-cost-cutting-formally-farming-together-naa-nate-birt/>.

<sup>vii</sup> "Rethinking the family farm: a collaborative farming success story," by James Nason, 22 May 2015,

<http://www.beefcentral.com/features/beef-2015-report/rethinking-the-family-farm-two-farmers-collaborative-success-story/>.

<sup>viii</sup> [https://www.teagasc.ie/media/website/publications/2016/Guidelines\\_Reg-Farm-Partnership\\_A5\\_32pp.pdf](https://www.teagasc.ie/media/website/publications/2016/Guidelines_Reg-Farm-Partnership_A5_32pp.pdf) (Ireland – registered farm partnerships); <http://www.uwcc.wisc.edu/ivic/orgs/ica/mem/country/denmark/ag-coops.html> (successful agricultural cooperatives in Denmark); <http://farmstyle.com.au/news/farm-co-operatives-and-collaboration-pilot-program-announced> (policy change in Australia).

<sup>ix</sup> "Collaboration? Take the Broad View," by Thomas Curran, January/February 2016, *Today's Farm*.

<sup>x</sup> <https://content.ces.ncsu.edu/deciding-how-to-structure-your-business>.

<sup>xi</sup> <https://www.extension.iastate.edu/agdm/wholefarm/html/c4-46.html>.

<https://rinckerlaw.com/partnership-agreements/>.

<sup>xii</sup> <http://www.carolinablueberry.com/>

<sup>xiii</sup> <http://www.fifthseasoncoop.com/>

<sup>xiv</sup> <http://www.geo.coop/story/how-young-farmers-are-using-cooperatives-build-successful-farms>

<sup>xv</sup> <http://www.democracyatwork.info/>

<sup>xvi</sup> <http://www.youngfarmers.org/>

<sup>xvii</sup> <https://www.rd.usda.gov/publications/publications-cooperatives>

<sup>xviii</sup> <http://www.commonenterprise.coop/>

<sup>xix</sup> <https://rafiusa.org/>

<sup>xx</sup> <https://www.landloss.org/>

<sup>xxi</sup> <https://plantsforhumanhealth.ncsu.edu/>

<sup>xxii</sup> <http://rafiusa.org/growinginnovation/tool-lending-library/>

<sup>xxiii</sup> "Collaborative Cost-cutting: Formally Farming Together," by Nate Birt, AgWeb 2016, <http://www.agweb.com/top-producer/article/collaborative-cost-cutting-formally-farming-together-naa-nate-birt/>.

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## ACKNOWLEDGEMENTS

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## AUTHOR

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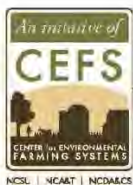
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