

# **Cooperatives: Tools for Progress in Rural Maryland**



**Ron Gaydos**

**Keystone Development Center**

**Cooperative Development in the Mid-Atlantic States**

- Cooperative development in the Mid-Atlantic States: Delaware, New Jersey, Pennsylvania, and Maryland
- About 50 cooperatives established since founding in 1999
- Serving agriculture, arts, energy, grocery, housing, and real estate
- Each engagement attends to each client's unique needs and conditions
- Staff experienced in business development, community organizing, food systems, finance, and incorporation/governance



# KDC's Cooperative Dev't Role

- Guiding clients through 6 stages of development:
  1. Needs assessment and evaluation of appropriate legal structures
  2. Developing internal leadership and confirming the work plan
  3. Market and membership analysis
  4. Feasibility analysis
  5. Business and organizational planning
  6. Incorporation and startup of operations



- **WHAT IS A COOPERATIVE?** An enterprise with cultural, economic, and/or social goals owned and democratically governed by its members
- **WHERE CAN YOU FIND THEM?**
  - They can be non-profit or for-profit, in any industry
  - About 40% of Americans are a member of at least one cooperative
- **HOW to COOPERATE:** There are several types:
  - Consumer/Shared Services: serves the needs of its customer-members
  - Producer/Investor: serves the needs of producer-members
  - Worker: workers own and govern the cooperative
  - Multi-stakeholder: more than one class of members



## Background and advantages of the cooperative business model

- History of cooperatives in Maryland and the US
- How cooperatives work
  - Established legal entity recognized by the State and Maryland and the Federal government
  - One member, one vote
  - Democratic AND efficient
  - Usually operated at cost so more goes to members immediately, but profits are also shared based on patronage
- Advantages of cooperatives
  - Lesser investment burden
  - Greater market visibility
  - Economy of scale for purchasing supplies and common services



## Relevance of co-ops to rural Maryland's rural economic challenges:

- Agricultural challenges
  - Geographic isolation
  - Price depression due to commodification
- Community-based business challenges
  - Mail order and online platforms
  - Big box retail
- Infrastructure challenges
  - Broadband gaps and last mile installation
  - Industrial obsolescence and re-emerging demand
- Workforce challenges
  - Education and training
  - Worker retention



# Example: Allegheny Grass Fed Co-op

Producer co-op

Members sell to the co-op, and the co-op takes care of processing, marketing, and sales

Western PA / Central Appalachian market area

Phase 1: initial operations. Phase 2: Expansion

Phase 3: Processing facility







# Example: NE PA Investment Co-op

Meadville, PA

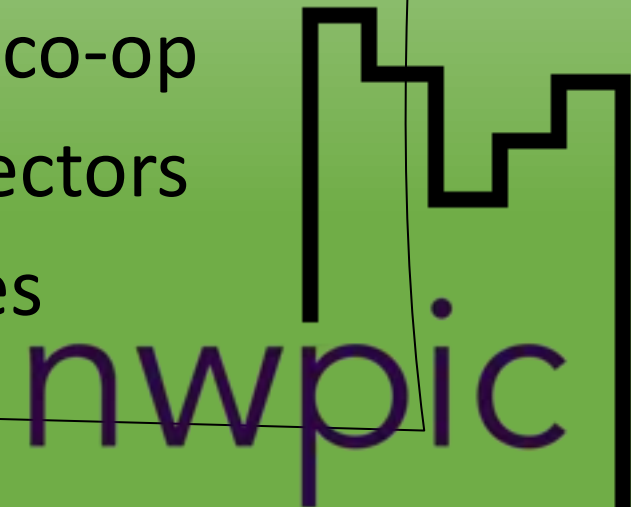
Investment Cooperative

Membership restricted to PA, solicitation only to members

Members own the co-op, tenants rent from the co-op

Governed by members who elect a board of directors

Responds to community's development priorities



The logo for nwpic, consisting of the lowercase letters "nwpic" in a purple, sans-serif font. To the right of the text is a stylized black outline of a city skyline with several rectangular buildings of varying heights.

# Example: Chesapeake Flower Exchange

Baltimore, Carroll, Howard, and Montgomery Counties

Producer Cooperative among independent producers

Members own the co-op, and share profits according to their sales through the co-op

Governed by members who elect a board of directors



CHESAPEAKE  
**FLOWER**  
*exchange*



### FRESH FLOWERS WILL LAST LONGER

Our plants are not picked early to accommodate shipping



### REDUCED CARBON FOOTPRINT

Grown locally with sustainable growing practices



### BOOST LOCAL ECONOMY

Buying locally supports local families.



### EASY ONLINE ORDERING

We've teamed with Rooted Farmers to bring you the smoothest experience.



### LOCAL PICKUP OR DELIVERY

Every Wednesday: Free Pickup at Tanglewood Farms from 8 am to noon.



CHESAPEAKE  
FLOWER  
*exchange*

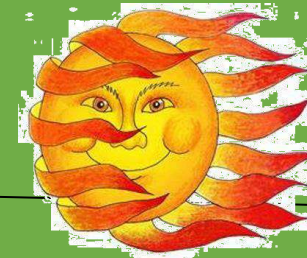
# Example: Clean Energy Cooperative

Northeast PA and southeast PA locations

Investment Cooperative

Members own the co-op, host building owners pay the co-op for electricity the solar installation produces.

Governed by members who elect a board of directors



**The Clean  
Energy Co-op**



**The Clean  
Energy Co-op**

Central PA distribution and processing location

Producer cooperative with sales throughout the Mid-Atlantic region

30+ Members own the co-op, and share profits according to their sales through the co-op.

Governed by members who elect a board of directors

Leveraging productivity tools in ways that remain compatible with Plain Community culture

The logo for KINFORK is located in the bottom right corner. It features the word "KINFORK" in a bold, red, sans-serif font, followed by a registered trademark symbol (®). The text is enclosed within a yellow rectangular border. The top-right corner of the border is shaped like a fork, and the bottom-left corner is shaped like a wheat stalk.

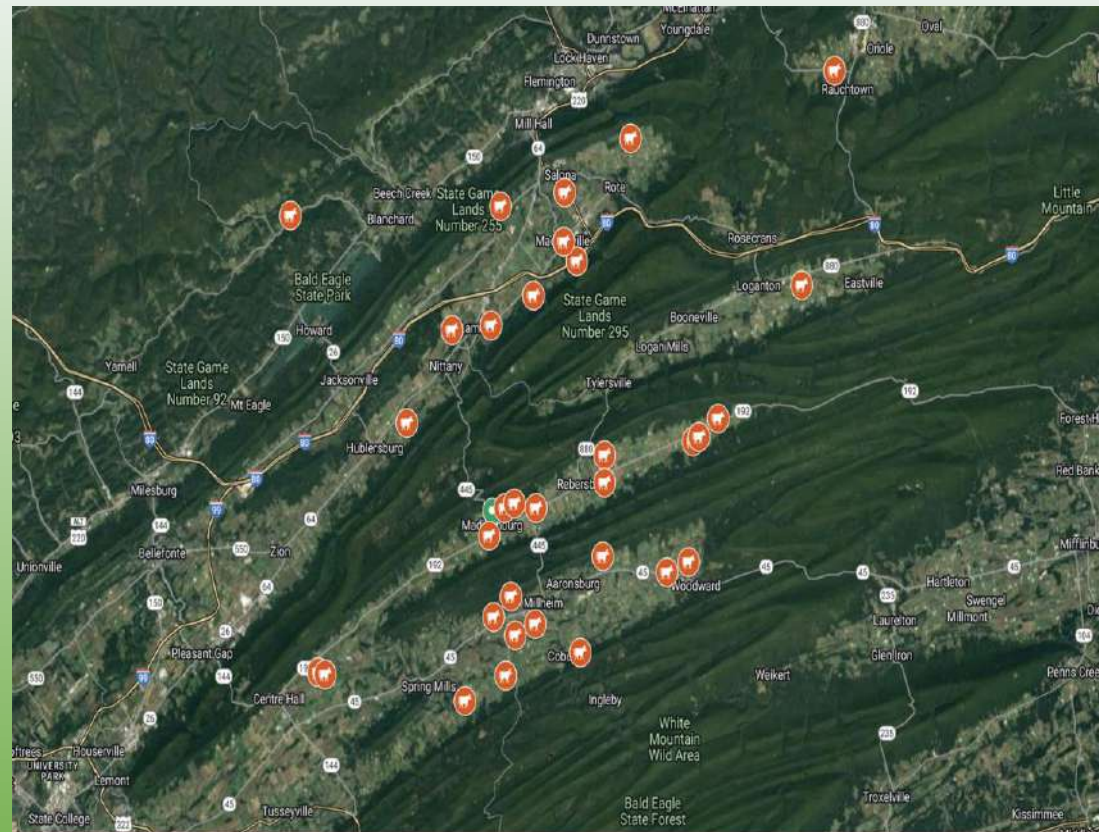
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A Central PA Farmer Co-Op bringing you  
100% grassfed beef, robust produce, and  
dairy products.







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## **Opportunities that cooperatives present for economic sustainability:**

- Regenerative practices collaboration
- Baby boomer business succession in all sectors
- Renewable electricity production and broadband connectivity



**[www.KDC.coop](http://www.KDC.coop)**



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