Cooperating to Enhance Aquatic Farming in Ohio and the Midwest

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Hannah M. Scott | Program Manager, CFAES Center for Cooperatives
The Co-op Business Model

“a form of business owned and controlled by the people who use its services.”

<table>
<thead>
<tr>
<th><strong>Member Ownership</strong></th>
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<tbody>
<tr>
<td>• Cooperative members own and invest in the business</td>
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<td>• Members provide equity to the cooperative</td>
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<tr>
<td>• Earnings are returned to member-owners based on their use of the cooperative</td>
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<table>
<thead>
<tr>
<th><strong>Member Control</strong></th>
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<tr>
<td>• Cooperatives are governed by a board of directors elected by and from the membership</td>
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<tr>
<td>• Members vote on issues in the cooperative following the one-member one-vote principle</td>
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<table>
<thead>
<tr>
<th><strong>Member Benefit</strong></th>
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<tr>
<td>• Organized to benefit members and fill a mutual need</td>
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<tr>
<td>• Earnings of the co-op are distributed to members on the basis of their use</td>
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<td>• Benefits can include</td>
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<td>• Market access</td>
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<tr>
<td>• Reduced costs</td>
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<tr>
<td>• Access to quality services and products</td>
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<tr>
<td>• Political action</td>
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<td>• Community improvement</td>
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Center for Cooperatives Mission:
To extend knowledge and technical assistance to emerging and existing cooperatives in Ohio and beyond through integration of teaching, research and Extension.
CFAES Center for Cooperatives

- Cooperative education
- Formation counseling
- Member education
- Bylaw development
- Board training
- Feasibility studies
- Business plan assistance
- Resource linkages
Background/history of aquaculture cooperatives in Ohio

- Not the first formal-ish cooperative in Ohio (NE Ohio led)
- From my understanding, it’s more of an informal cooperative
  - Decrease feed/shipping costs by working together but not a formal incorporated cooperative
- Feed developed few years back (NCRAC diet)
  - Bluegill diet formulated by Midwest researchers with the support of USDA NIFA funding
- That feed is currently still being bought and distributed to the NE Ohio farmers
  - Melick Feeds | Catawissa, PA
- Pond producers
  - Used by centrarchid farmers
Why Ohio and why aquaculture?

- Ohio has a small but active aquaculture industry
- One of two states in the Midwest to show positive growth between last two Census of Aquaculture
- 23 different species sold in Ohio
- Some multi-generational farms and lots of newer farms
- Aquaculture (indoors) is very capital intensive
- Anything to lower costs of production is welcome
- Feed is often $30 – 50\%$ of the total variable costs on a farm
# Timeline of events

<table>
<thead>
<tr>
<th>Month</th>
<th>Event Description</th>
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<tr>
<td>January 2017</td>
<td>Intro to cooperatives workshop prior to OAA annual conference</td>
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<tr>
<td>December 2017</td>
<td>Central Ohio follow-up meeting (ca. 45 attendees)</td>
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<tr>
<td>January 2018</td>
<td>First steering committee meeting</td>
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<tr>
<td>February 2018</td>
<td>Steering committee conference call</td>
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<tr>
<td>March 2018</td>
<td>Steering committee meeting</td>
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<tr>
<td>April 2018</td>
<td>Steering committee meeting</td>
</tr>
<tr>
<td>May 2018</td>
<td>Steering committee meeting</td>
</tr>
<tr>
<td>July 2018</td>
<td>Steering committee meeting</td>
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<tr>
<td>July 2018</td>
<td>Center for Coops and OSU Extension NE Ohio workshop</td>
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<tr>
<td>November 2018</td>
<td>Steering committee meeting</td>
</tr>
<tr>
<td>December 2018</td>
<td>Steering committee meeting</td>
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<tr>
<td>December 2018</td>
<td>Steering committee meeting</td>
</tr>
<tr>
<td>January 2019</td>
<td>Display booth at the OAA conference – solicit membership</td>
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<tr>
<td>February 2019</td>
<td>Inaugural meeting for members</td>
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<tr>
<td>April 2019</td>
<td>Second meeting scheduled for members</td>
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Lots and lots of emails!!
Background of the Ohio Aquaculture Cooperative

• Ohio Aquaculture Association held an Intro to Aquaculture Cooperatives workshop prior to their annual conference in Columbus, Ohio in **January 2017**

• Led by Ohio State University
  • Center for Cooperatives

• Sign-up sheet at the end of the workshop

• Over 50 said they were interested in learning more about an aquaculture cooperative

• Due to scheduling conflicts (mostly, farmers were busy farming!) we didn’t get to meet back up until **December 2017**
Background of the Ohio Aquaculture Cooperative

- The Center for Cooperatives asked for a steering committee to be developed
- Steering committee stayed after to discuss logistics of their first round-table discussion
- Steering committee started out with…
  - Perch pond farmer
  - New tilapia RAS farmer
  - Indoor saltwater shrimp farmer
  - “Local foods” interested person
  - Urban aquaponics farmer
  - Interested entrepreneur
  - Start up saltwater shrimp farmer
  - Ag seed consultant interested in aquaculture/processing aquaculture products
Background of the Ohio Aquaculture Cooperative

- Committee quickly dropped to just the perch, shrimp, and tilapia farmers
- 5 – 6 roundtable discussions with the Center for Cooperatives to discuss logistics and draft business plan
- Utilized the December meeting to help steer
- Attendees discussed having a cooperative that focused on...
  - Lowering the costs of feed & supplies
  - Joint marketing
  - Product drop-off points
- Logistically, lowering feed cost is the low-hanging fruit
- One member of the steering committee surveyed Ohio farmers about feed purchasing, which served as helpful data for business planning efforts
Background of the Ohio Aquaculture Cooperative

- The Center for Cooperatives and OSU Extension led a workshop in NE Ohio.
  - July 2018
- Necessary to relay that this co-op is NOT an extension of OAA.
- It is a standalone organization that’s open to everyone. Even out of state farmers.
Background of the Ohio Aquaculture Cooperative

• Progress was slow for awhile
• Steering committee members all have primary jobs
• Progress really picked up in fall 2018!
• Goals prior to **January 2019**:  
  • Incorporate as a cooperative  
  • Iron out some logistics (cost to be a member, feed drop off points, feed mills purchased from, other supply companies?)  
  • Determine an approximate cost/benefit for interested producers  
  • Create an application form for new members  
  • Website/e-mail/Facebook
Current status of the Ohio Aquaculture Cooperative

- Five members currently, least four verbally
- Membership fee of $400 (one time)
- Feed margins are small, making it more difficult for large farmers to realize immediate benefit from the co-op
  - The larger farms are necessary for this coop to succeed
  - More trucks, more surplus for the co-op to operate
  - Supplies larger (salt)
- No hired labor right now → Farmers doing it all themselves pro bono
- Goal is to elect board members and approve the bylaws at the April 2019 meeting
- First feed order being submitted this week by an established tilapia farmer
Co-op website – ohioaquacoop.weebly.com
Co-op website – ohioaquacoop.weebly.com

We Offer The Following Brands

- YSI
- Zeigler
- Pentair
- Aquatic Eco-Systems
- Omega One
Co-op website

**What It Is**

The Ohio Aquaculture Cooperative is a coalition of individuals, farms, companies, organizations, etc dedicated to the advancement of the aquaculture (in addition to aquaponic and hydroponic) industry here in the state of Ohio. With so much interest in such a cooperative during a December 2017 meeting organized by the Ohio Aquaculture Association, a steering committee was formed to put pen to paper in making this dream a reality.

**How It Works**

We, as a group, are working on the business plan to move this forward. We've taken insight from everyone including everyone's grandmas! We've talked to current seafood producers, potential seafood producers, customers, consultants, government officials, manufacturers, and the like. In the end, we decided to start with the lowest-hanging fruit of starting **bulk feed ordering** which will have the following benefits:

- producers benefit from lower feed costs by ordering as a group,
- producers benefit from better payment terms as a group compared to individually, especially for smaller/start-up farms
- producers can afford to get better feed for their fish
- feed producers benefit from more large sales
- feed producers benefit from more consistent sales and knowing more of where their sales are
- customers benefit from better quality fish products

The 2nd, more bold goal, of the cooperative is to start a processing facility matched with a dedicated wholesale restaurant delivery operation. This is much tougher because of the coordination required, but it is something we are striving for. Here is the streamline process of how this would work:

1) Mid-High End and Locally-Grown-Focused restaurants put in an order on Thursday/Friday for what seafood they would like to have for the following week. Let's say a restaurant in German Village, Columbus put in an order for 30 lbs of shrimp, 20 lbs of perch, 20 lbs of striped bass, and 15 lbs of sunfish.
Zeigler Feed Ordering Service

Order Schedule:
March 15th, 2019
June 15th, 2019
September 15th, 2019
December 15th, 2019

**Order must be placed and payment received exactly 7 days before order date.**

**Please go to the link below to fill out the order survey COMPLETELY.**

**You will be contacted or receive a order quote within 48 hours.**
Mailing Address:
3600 Hazelton-Etna Rd SW.
Pataklaka, Ohio 43062

Email Address:
ohioaquaculturecoop@gmail.com

Phone Numbers:
(740) 616-4196
Co-op on social media – e-mails primary contact with community
Future of Ohio Aquaculture Cooperative

- Expand, but only at a rate they can keep up with
- Investigate NCR SARE and other grant opportunities to assist in expansion
- Hire someone to facilitate the ordering and operations
- Add additional feed manufacturers and other suppliers
- Nobody wants to be the first on the dance floor → with success, other farmers will join in
Learning more about co-ops

go.osu.edu/coopmastery
Thanks for my travel support:

Ohio Soybean Council | North Central Regional Aquaculture Center

North Central Regional Aquaculture Center

United States Department of Agriculture
National Institute of Food and Agriculture
Questions?

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