



## Episode 59: Creating a Cooperative with Farmer Katie Nixon

Katie

I have pressed record and I see the little blue lines doing blurry things. So I think we're good to go.

Eva

Hello. Welcome to the Farm Commons podcast.

Kate

Where we make farm law accessible and actionable for sustainable farmers and ranchers, as well as their networks of support.

Eva

I'm Eva...

Kate

... and I'm Kate

Eva

And each episode we explore real legal issues faced on farms every day, providing key knowledge and tangible solutions to help you grow a thriving agricultural business.

Kate

From managing liability to navigating tough conversations with landlords and neighbors. We've got your back. Let's get started.

Kate

Well, hello, everybody, and welcome back to the podcast. I'm especially excited about this episode because we're going to sit down and have a wonderful chat with farmer Katie Nixon of Green Gate Family Farm. And Katie is based in Wheatland, Missouri, and she's actually part of our Farmer Fellows program, which is a fellowship that you've been in now for eight, eight months. Katie Is that right?



Katie

Yeah, it's been a great eight months.

Kate

Yeah. So I actually have only just met you in the last couple of months, but it's been such a joy to have you in the Farm Commons community so closely, and especially here, all of the wisdom that you bring to your business and to the farming world about business structures, especially cooperatives, which is just a little peek into what we're going to be talking about today.

Kate

But I wanted to welcome you and also say hi to you, Eva. Good morning.

Eva

Good morning, Kate and Katie. It's great to be here with you. And yeah, welcome to the podcast. Katie It's awesome to continue our relationship with you in this way. You've co-presented at workshops with us. The last one was at the beginning of 2020, which seems like ages ago. Yeah, and it's been a joy to work with you and the Farmer Fellows program as well.

Eva

And we're excited for all our podcast listeners to get to know a bit more about you and your farm and the food hub that you're part of.

Katie

Great. I'm excited to share. Yeah.

Eva

Tell us about you and your farm. Share it all. We want to hear.

Katie

All right. Well, we don't have time for that, but I will share a little piece of my farming world, especially when it as it relates to the co-op. But just to give some background about our farm, my husband and I farm about five acres of actual crops and then the rest is pasture.



So we have 67 acres here in Wheatland, Missouri, which is right where the Ozarks meet the Plains.

Katie

And so it's quite hilly and rocky, big cattle country. We have a certified organic farm and we grow we're CSA online sales. We also do a wholesale with the Kansas City Food Hub and some other restaurants and also Whole Foods is we sell them bedding plants, certified organic bedding plants for the spring production garden season. And yeah, we my husband and I do most of everything on our farm.

Katie

We're just under probably we're around \$90,000 a year in sales. And so the two of us can kind of manage really diversified production, do eggs, produce, cut flowers, and then the bedding plants and some value added stuff. So as we get older, we're also looking into diversifying into some less labor intensive things or maybe some more value added.

Katie

But that's a conversation for another time. Yeah, but we're also a part of the Community Food Hub, which is what we're going to, I guess, focus on today. And as a cooperative, we have about 25 growers and the cooperative and my I am one of the co-founders of the Food Hub, which started in 2015.

Eva

Well, really curious about your farm and its place within the Kansas City Food Hub and how that got started. You mentioned a bit about the cooperative, and so can you take us down the path that you traveled to get to being a part of this food hub?

Katie

Yeah, you know, I think my life has changed, hasn't changed much in the last six years, but it changed a lot from like 2009 to when the Food Hub started. I was really finding my place in the food system I had lived. I grew up in Kansas City and I left when I was 18 to go to college and then traveled the world a bit and got called back to Kansas City to work in extension.



Katie

I worked for the Lincoln University Cooperative Extension, and Lincoln is the 1890 Land Grant University in Missouri because, you know, Missouri was a slave state. And so we have an 1890 land grant in Missouri that was specifically for black students. And now it's called a historically black college. But they have extension programs and they were starting a small farm program.

Katie

And I found out about it when I was deep in the woods in Oregon. My mom was like, there's this job you need to come home. Like, okay. So I made it back home and started working for extension. And that's when I started working with a lot of farmers and realizing like, they need a lot of help, obviously, because where you are as farmers, we have very dynamic businesses and so you need to know a lot of things about a lot of things from starting seeds to actually starting a business or keeping your business going.

Katie

And so one of the but the other thing that I was finding with farmers that I just really didn't feel like I could help them much with was the market. And, you know, Farmer's markets. In 2010, 2011, farmers markets were exploding in Kansas City. The number of them, we went from like 25 markets and Kansas City to 55.

Katie

And what's happening is a lot of the farmers were having to go to two or more markets to make the same amount of money they used to make one market like our mentor farmers that live not too far away from here. They were at the time of operation. The retired now were one of the biggest organic farms in Missouri and at the farmers market they went to in Kansas City, they were making \$5,000 on a Saturday and then two years later they were making 2020 500.

Katie

And part of that was because there was, you know, a lot of grocery stores were now offering local and also organic because they were certified one of the first certified organic farms in the area. And so the competition got a lot higher. And so we came to the table to start talking about, well, how do we build new markets for farmers?



Katie

Because there's a huge demand for a local food. And so how do they get access to it? Because most of the demand was from that sort of middle market where it's wholesale, but it's also it's like high end wholesale. It's not like the semi truck, U.S. food wholesale. So that's where we started talking about the food hub. And so the conversation, you know, started from those sort of how do we help small farmers get access to new markets to, well, what's the market and what do farmers need in order to access that market?

Kate

There was another group that was also thinking about getting a food hubs started around the same time, right?

Katie

So yeah, like we did. So we did. There was other conversations happening in the city of Lawrence in Douglas County, which is about 45 minutes from Kansas City, and it's a college town. And they have a lot of farms. And part of the reason for that is because they have a really great sort of incubation program going there with other farmers that like help other farmers. And it's a college town, so there's a little bit more local food scene kind of thing happening. But it's maybe it's just more concentrated, too, it feels like, because it's a smaller city. But they were at the same time as the Kansas City Food Hub Working Group was working on our feasibility study. They were also doing a feasibility study funded by Douglas County.

Katie

Our feasibility study ended up getting funding from Health Forward Foundation. And so they the feasibility study for the Kansas City Food Hub was around \$130,000 and the one in Douglas County was around \$75,000. And so there were two major feasibility studies going on at the exact same time and we were working together. So that may sound really confusing and why didn't we just join forces?

Katie

And part of it was because Douglas County was it was a government sort of inspired. Well, I don't say inspired. It was more of a government led. It was done by the sustainability office of either Lawrence or Douglas County. I can't remember which one. And so they had the money that they wanted to spend on a Douglas County feasibility study.



Katie

And we wanted to see what a Kansas City, a Greater Kansas City food hub could look like. That was within like 150, 250 mile radius outside of Kansas City. And so we decided we were going to work jointly, like on two separate feasibility studies. So we ended up hiring two different consultants. So one consultant more had like the qualitative approach where the Douglas County study they actually interviewed did long form interviews with farmers and then our consultants, new Venture Advisors, they did a big survey and so we got like 120 by farmers to respond and 120 buyers to respondents, 90 farmers or something like that.

Katie

So and we shared results with each other to to build these feasibility studies.

00;10;02;19 - 00;10;05;28

Kate

And one did that wrap up 2014.

00;10;05;28 - 00;10;34;12

Katie

And the other difference was the the Douglas County one, they made theirs 100% public. Their feasibility study we kept we did a public version of our feasibility study and kept the more sensitive business information for the farmers that actually wanted to start the business. And so any farmer they came to the table to discuss. Starting the food Hub with our group had to sign a non-disclosure agreement and then they got access to the entire feasibility study.

00;10;34;23 - 00;11;07;20

Kate

MM Wow. So I heard initially 2009 and then the study wrapped up in 2014, which is a pretty huge chunk of time, especially considering that you're also running this beautiful farm business that you mentioned at the top of the episode. And so I'm wondering how you ended up getting other farmers on board for this idea, especially for the long haul. And how how did it look like to this? I imagine be really patient with that process.



00;11;07;20 - 00;12;28;15

Katie

Yeah. So we didn't really start the Food Hub conversations until 2011 and also we were just my husband and I were just also starting our farm around that time. We actually incorporated as an LLC in 2012. So we were also on the cusp of being farmers. But in terms of how we engage other farmers, you know, once the feasibility study came out, we put the call out because one of the questions in the survey that was sent out was like, Do you want to participate in a food hub? And there were several ways we asked that questions about the severity of participation. And so we took the people who had indicated some willingness to participate in a food hub, and we contacted all of them and said, okay, you said yes, and maybe we're going to have a meeting and we're going to talk about what that could mean. And so 50 people showed up to that meeting. And from there, you know, there's only so many farmers that have enough time to come to the table and talk about this stuff month after month, because it did take us several months to figure out who was going to lead. There were about seven people left at the table two months later.

00;12;29;08 - 00;13;11;03

Katie

Wow. And those were the farmers. So it was basically a self-identification. We want the farmers to own it. Who wants to own it? And in what I mean by own it, I mean like develop it. Like, here's the feasibility study. We're going to help you as technical assistance practitioners. And when I say we, I mean K-State extension, Lincoln Extension, the Douglas County folks were at the table because after the feasibility studies came out, our two groups did merge because one of the things in the feasibility studies said there's really only room for one food hub based on supply, \$125 million in local food demand.

00;13;11;03 - 00;13;50;13

Katie

But the supply just isn't quite there or wasn't in 2015. So we basically we as the technical assistance providers would organize the meetings. We would provide like educational opportunities about the different business structures. We would also look into other food hubs and try to offer examples. And of course, I was also starting to farm at the time. And so my in the back of my mind I was like, Oh, I really want to be part of the co-op too. So. Or the Food Hub. And we can talk more about that, what happened later with that.



00;13;50;13 - 00;14;00;26

Kate

But but at this time, your are participating... Yeah, yeah. At that time you were participating as an extension staff, not as a farmer, correct?

00;14;01;10 - 00;14;25;10

Katie

Yeah. So but I had I think, you know, my experience starting a farm and getting into farming was really helping inform, like the, the challenges that were set in front of us from a real physical, like, experiential perspective. So yeah, that was, I was embodying the exhaustion of a farmer too.

00;14;25;15 - 00;14;32;19

Eva

So bringing that embodied wisdom to the table as y'all are decision making, yeah, that's and important piece.

00;14;33;14 - 00;15;10;15

Eva

For sure. Well, Katie, this is such great insight into what it takes to align, you know, your business goals. Like as a farmer, having the ability to sell into high demand markets when there is such great demand in your area in tandem with supporting other farmers to do the same through the co-operative and just all of that organizing amongst government entities and different farmers and their goals and your goals and then forming the cooperatives goals, that's that's a lot of movement building.

00;15;10;15 - 00;15;58;08

Eva

So right on really, you know, hats off to you. That's an incredible accomplishment and example of really what it can take to align business goals with the legal business structure. Because, you know, as a firm Cummins, they always have to bring out that back to the law and take your offering. It's so true. So the LLC while that was the right fit for your, you know, personal from business Greengate family farm I think you were saying it wasn't the right fit for the what ended up being the food hubs business structure for your ownership and membership goals for the Food Hub.





00;15;58;08 - 00;16;10;09

Eva

And you know, that's where where you ended on the cooperative. So can you tell us a bit about how you how you where where you formed the cooperative, how you formed it decision making there?

00;16;11;28 - 00;16;35;01

Katie

Yeah. Like I said, the farmers at the table, you know, they needed to pick whatever they felt most comfortable with. And quite honestly, none of us had. I had some experience starting a cooperative, but it was a food like buying cooperative club. And, you know, of course I had joined my cooperative grocery store in college or whatever. So that was my experience with cooperatives in this area of the country.

00;16;35;01 - 00;17;06;11

Katie

There's just a not a lot of any cooperatives outside of like a dairy co-op or, you know, there's grain elevator co-ops. But, you know, our farmers didn't have experience with that. And quite honestly, there's probably negative association with cooperatives in this area. But so we had to learn a lot. And that's where the technical assistance providers were very helpful because we had co-op specialists come in and talk about like there is a really big green co-op in Kansas and it's successful.

00;17;06;11 - 00;17;35;00

Katie

And he came in to talk to us and was very supportive and everything, so that was great to hear from him. But LLC was what we were all kind of used to. All of us had an LLC and at this point us I'm saying us because I really started to see myself as part of a maybe the co-founder of the Food Hub at that point, and it got solidified when we did decide to become a cooperative because in the state of Kansas you need five signatures.

00;17;35;26 - 00;18;14;09

Katie



And at the time that we were ready to form, we had four farmers left at the table. From that original seven. And so I said, Well, you need a fifth signature, so I'll be the fifth co-founder. And that's kind of when I transitioned into being a co-owner, co-founder of the Food Hub. But we did talk about LLC, the thing about the LLC ownership structure among multiple owners was adding new ones and being able to let the founding owners potentially step away because the people at the table were not necessarily what we would call anchor growers.

00;18;14;09 - 00;18;48;09

Katie

And the co-op needs anchor growers that can provide cases in cases in cases of consistent tomatoes all summer long. And they need, you know, all those like staple products that you want to see in your in your farm store from a wholesale perspective, tomatoes, cucumbers, zucchinis, peppers, onions, potatoes. Like you need a grower that can really consistently provide those as a base product, all the other stuff that's exciting, like, you know, radicchio and, you know, even carrots around here.

00;18;48;09 - 00;19;07;04

Katie

Since we have terrible carrots, well, at least on my side. And you know, some of the more specialty items are great, but they're only going to purchase wholesale buyers are only going to purchase so much of that they want, you know, 40, £40 of tomatoes every single week consistently or something. And so we did have to find that anchor grower.

00;19;07;04 - 00;19;28;17

Katie

And none of the people at the table who started the Food Hub were the anchor grower, and they were concerned about having an ownership structure where they were going to be on the hook for the business down the line when they knew that maybe that wasn't their own own business path. And so a cooperative structure really allows for people to come in easily, more easily.

00;19;28;17 - 00;19;35;02

Katie



And for those other those co-owner, the starters of the business to then be on the same level playing field as every other farmer.

00;19;35;14 - 00;19;36;28

Kate

That's so. Important.

00;19;36;28 - 00;19;52;00

Katie

And I think you can potentially yeah, I think you potentially do that in an LLC. But we were like baffled as to exactly how and we thought it was going to be super complicated, whereas a co-op structure is built exactly for that, a one member, one vote kind of situation.

00;19;52;17 - 00;19;52;28

Kate

Right.

00;19;53;16 - 00;20;05;19

Eva

MM Yeah. That democratic principle where, you know, regardless of how much each member invests, they each only get one vote rather than it being proportionate. No that's great.

00;20;05;23 - 00;20;44;14

Kate

And I just want to highlight for, for listeners especially that there was kind of two things happening here. You were both managing, co managing the work of forming the Food Hub business itself, but then also managing the work of forming the legal cooperative as sort of the entity, to house, that business which, you know, speaking to farmers who are like, I'm just trying to operate, I'm just trying to survive every year. I can't think about business structures Like that's, that's a lot of work to both create the business and create the the legal entity for the business at the same time. That's that's a huge accomplishment.

00;20;45;12 - 00;21;07;08

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Katie

Yeah. So the one thing that we had going for us was that it was November when we actually formed the co-op legally. And so we had a November around here for people who maybe live on in Florida or California. We have a season, a distinct season, and it pretty much ends in November, December for some of the big specialty crops.

00;21;07;08 - 00;21;29;18

Katie

That's changing a little bit. As a little side note, we're really trying to help farmers do season extension to grow year round, especially lettuce, because we have so many schools wanting to buy local food right now and they want mixed lettuce. And we have one school that wants to well, throughout the entire winter. Oh my gosh. So, you know, that's an opportunity for a grower to do that in Missouri or Kansas or in these areas, you know, where they have high tunnels and things.

00;21;29;18 - 00;21;53;25

Katie

But so that's a market that's developing, too, out of this. But back to, you know, starting the business itself of a a food hub. At the same time, we were we had incredible help from the sustainability director in Douglas County, and she basically Eileen Horne, she helped us. She basically wrote the grant for the value added producer grant through rural development to sort of get the food hub off the ground.

00;21;54;19 - 00;22;15;27

Katie

And so that was happening. And I you know, that was where the support system was incredible, because if she hadn't been there, you know, the farmers would have been trying to figure out how to apply for these, quite honestly, very cumbersome grants. But the feasibility study really helped because you have to have a feasibility study with you had a producer grant and that was a pretty impressive feasibility study.

00;22;15;27 - 00;22;39;08

Katie

So, you know, I don't while I don't think feasibility studies are the right road for every food hub, it was definitely a huge asset to jump and move forward with it. I was so impressed



with the farmers that kept coming to the table and they were not getting paid to be there. They just wanted to see the food hub happen and believed it was the right move forward.

00;22;39;08 - 00;22;56;11

Katie

It wasn't necessarily to like really benefit their own businesses because they weren't anchor growers and they didn't know how much food they were going to be able to sell through the food hub. But they really believed in the idea and I just really want to shout out to them for all the energy they put into building this business over the eight months it took.

00;22;57;18 - 00;23;04;23

Katie

And here I was getting paid to be at the table because I was an extension professional. So yeah, I appreciate their work.

00;23;05;26 - 00;23;25;13

Eva

MM Yeah, lots of resourcing and people contributing really strong network of community, all built to put this food hub together. And it kind of sounds like in the Midwest, November December is an ideal time to potentially seed a cooperative. We're thinking about growing business entities.

00;23;26;27 - 00;23;27;04

Katie

Like garlic.

00;23;27;04 - 00;23;54;16

Eva

Nice. Yeah. So think about cooperatives in the Midwest like garlic. That's the time of year to seed. Yeah. Katie, I'm curious just to take a step back from, you know, the relationship aspects, which we do want to get into. I'm really curious about how the actual filing process went. You know, you mentioned you needed five signatures in the state of Kansas to form the cooperative, but can you tell us a bit more about how the paperwork process went for you?



00;23;56;00 - 00;23;58;20

Katie

Yeah, I probably blanked most of it out just because it's...boring

00;24;00;25 - 00;24;02;11

Kate

You don't cherish that memory? (laughing)

00;24;04;04 - 00;24;28;02

Katie

I actually do have sort of like some vivid memory of like email because we were the five farmers live like two of them in Missouri, three of them in Kansas. And like, if you were to drive to all the farms in one day, you'd probably have like 8 hours of driving or something. So like we're all spread out and so we, I do have some vivid memory of like signing the paper and scanning it in, probably because my scanner wasn't working and it took forever.

00;24;28;02 - 00;24;52;16

Katie

But, and like scanning that signature to the lawyer or whoever it was getting that paperwork together for us and being like, All right, that that's my contribution to our articles of association. And so that was exciting. But to sort of step back to the when we were like, okay, we're going to start a co-op now what? Well, we have to find somebody who knows about co-op law, and that's really hard.

00;24;53;18 - 00;25;22;27

Katie

There aren't that many options, unfortunately. We did find a great lawyer. He knows about co-ops. I wouldn't, you know, like expertise in the area. He got all of our bylaws together. He got the member agreement together and and we and the Articles Association. So he helped us with all those legal documents. But I wouldn't say there was like a big like spreadsheet of choices in front of us in terms of like who was going to help us do that.

00;25;22;27 - 00;25;45;15

Katie



And of course we had to pay him, so we had to find some money there to incorporate as a business. Because I'll tell you again, the farmers at the table weren't, you know, they weren't going to invest a whole bunch of thousands of dollars in the starting this business of their own money. And so because they believed in the idea and we thought it was a good one, we went after a lot of grant funds.

00;25;46;05 - 00;25;55;16

Katie

Yeah, that's that was the exciting process of that. But the bylaws were really important because it's like we keep we look back to them a lot. They really are governing documents.

00;25;56;23 - 00;26;21;19

Kate

Yes. We love to hear that. I think anybody who's not familiar with Farm Commons curriculum should know that when we talk about the law, we really also try to emphasize that we're talking about relationships and that any agreements in the form of legal documents that are created in forming a business will really be informed by the relationships that create those agreements.

00;26;21;19 - 00;26;50;18

Kate

So I definitely want to talk about your bylaws and your operating and your agreements that sort of cement your your business. But first, I want to return to the relationship piece of this. There's there's been a whole bunch of people coming in and out and contributing to the food hub sticking around or not. And I just want to know how you navigated and how you continue to navigate your relationships in the food hub with the other producers.

00;26;50;18 - 00;26;55;11

Kate

And what sort of tools have helped you along the way.

00;26;55;11 - 00;27;16;06

Katie

Yeah, that's a big question. So we are going into our seventh year of production. We started with five growers and quickly became I think seven or eight. And so it's a pretty small group



of folks. At the beginning, most of the members had a board, you know, had a was a member of the board. So we saw each other every month for for that.

00;27;16;06 - 00;27;33;11

Katie

But so there was a lot of trust in the like the core starting group of farmers. I think just because we had known each other and we had been working with each other and then as we were bringing on new growers, it was challenging to try to figure out the relationship piece of a co-op. Well, sorry, hold on.

00;27;35;01 - 00;27;37;19

Katie

I just let's.

00;27;37;20 - 00;27;38;25

Eva

Try that podcast drama.

00;27;40;00 - 00;28;04;17

Katie

Podcast, drama. So I'll back up there. When we when we were bringing on new members, it was challenging to figure out, especially members we didn't know or have a relationship with. We definitely we would go to their farm for a farm visit and make sure that, you know, you know, we just had we stepped on foot on their farm to know what they were doing.

00;28;05;01 - 00;28;25;15

Katie

And it was also challenging because, you know, farmers are joining a co-op. They're they're joining for the market. And we didn't necessarily have the market figured out and we still don't covered really messed everything up, too. But we're not going to go into that. But, you know, when a farmer comes on, they're like, well, what do you want me to grow for?

00;28;25;15 - 00;28;44;01

Katie





The co-op is like, Well, I don't know. What do you want to grow? What are you good at? And you know, then we go to the buyers and they're like, Well, what do you guys have? And it's like, Well, what do you want? [laughter] So sorry, but that part is really hard. The supply and the demand. And we've had farmers, we've definitely had farmers leave the co-op.

00;28;44;01 - 00;28;56;11

Katie

Not that many, I'll tell you that. But over the years I'd say we'd have maybe, I don't know, a handful of farmers that just said, Oh, this isn't really working, or they stopped farming. It happens to and they retire out. So yeah.

00;28;56;12 - 00;29;07;15

Kate

And how about that core group of people who are, you know, whose names are on the legal documents and who are actually operating, cooperating this business with?

00;29;07;15 - 00;29;30;10

Katie

Yeah, one of them has stepped away. She stepped away in the first year and so the other four are still major parts of the business. Two of them are still on the board, which is actually, you know, they they have been on the board because, you know, we went we went from about ten farmers and jumped quickly to 25 in the last couple of years.

00;29;30;10 - 00;29;50;12

Katie

And we've been trying to figure out new board members to serve. And it's been a little bit of a challenge. I think people are intimidated by serving on the board. We're trying to hopefully we can have some new some new blood on the board. And we have had over the years we have some great new members this year on the board of directors, including one of the anchor growers.

00;29;50;12 - 00;30;11;23

Katie

He's been on the board for a couple of years now. So it's nice to have the new growers be encouraged to serve. But we still have a good working relationship with the founders. Like



we're we're still all trying to fight for the survival of the food hub, which is a challenge. Yeah, it's expensive running a food hub.

00;30;13;15 - 00;30;33;01

Kate

Yeah, I bet. Along with many other trials and tribulations. And you mentioned that you refer to your bylaws often. Can you say more about that? Like what? What wisdom is there? What benefit do you have? How do they, are they living documents? I would love to hear about your relationship to those.

00;30;33;06 - 00;31;13;13

Katie

I wish they were more living. The problem is like actually updating anything in the bylaws or the member agreements takes time and then also consulting the lawyer. And so sometimes when we like we're we're due for a housecleaning right now. And so we've actually got a subcommittee going right now to rethink about the business plan and, you know, the future of the Food Hub, doing some visioning to try to sort of because now we started with five, then became four, and now we're 25.

00;31;13;13 - 00;31;36;03

Katie

So who what do the new members want? How do they want to see the Food Hub move and grow? And and and from that perspective, we're a living business because it always is changing with the people that come. But for the bylaws, we reference them mostly during, you know, oh, it's annual meeting time. What are the bylaws say about the annual meeting and making sure we have our ducks in a row for that?

00;31;37;07 - 00;31;54;14

Katie

You know, we actually changed the bylaws the very beginning. Originally had said there would be a five member board and I think we increased it to 5 to 7 because we thought seven people was more was better than five so that we could, you know, if farmers couldn't show up for the meeting with all these tabs, five or six people there.

00;31;56;00 - 00;32;15;22

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Katie

So they are to some degree living, but I wish they were a little more living if we had more time to constantly be like looking at them and making sure that they serve us well, I think the member agreement is the most cumbersome document that I kind of wish we could change the whole thing right now, but we need to do some processing around it.

00;32;16;05 - 00;32;34;23

Katie

It's really clunky, it's big, it's long, it's got a lot of jargon in it. And farmers are like, What does this mean? Because that's what they're supposed to sign when they when they ask to join the food hub, they need to sign a member agreement. And there's just a lot of language in there that's kind of confusing and I don't even know what it means. So.

00;32;35;29 - 00;32;46;00

Kate

Yeah, it is the story of so many legal documents that we all know and love, but I love that intention to make it a little bit more accessible and approachable.

00;32;46;29 - 00;33;12;24

Eva

Mhm. Yeah, Yeah. Katie you're really illuminating how writing down our commitments to each other and business is so helpful for maintaining boundaries and healthy relationships, especially as the people are in flux. You know, different numbers of people and then also the their interests and their goals and what they need out of the cooperative as owners. So there's the bylaws that govern that.

00;33;12;24 - 00;34;01;13

Eva

And then also what the members need out of the cooperative for the member agreement there. So you're highlighting all of all of those important functions that your agreements can helped to manage, and also underscoring the complexity that governing documents like bylaws can contain and complexity in terms of what all they can cover. And, you know, being actively involved in the drafting up of those documents and putting in your authentic needs and goals can make it so that they can cover a complex array of issues that



can lift you up when times are really good and also when times are not so good, you know, and people want to exit and that sort of thing.

00;34;01;21 - 00;34;25;06

Eva

Sure. So super amazing accomplishment that you and your fellow food lovers have achieved. And as we wrap up here, what wisdom are guiding principles would you share with other producers who are interested in forming a food hub in order to co market their products or just interested in forming a cooperative for their for their business?

00;34;25;06 - 00;35;11;16

Katie

Yeah, well, be prepared to strap in for the long haul. A cooperative is, um, needs a lot of pampering. And one of the ways we've been able to continue the cooperative is that I have been able to leverage my off farm job to support the co-op. And so I work for a nonprofit, I'm a food systems director, and I've been able to utilize the Food Hub as a partner, makes our grant applications look good because we can show that we're expanding markets and we're working with a for profit organization, and I'm been able to get them some funding to support staff through nonprofit for profit partnership, you know, USDA grants.

00;35;11;28 - 00;35;37;16

Katie

And so that's a two way street. It helps our organization look like with our outcomes because that market is so important, we can just help farmers get access to a market immediately that took, you know, seven years to develop and then, you know, our nonprofit can also support the the farmer itself in how they might actually grow wholesale.

00;35;37;16 - 00;36;08;03

Katie

And so that helps the co-op because then they get more supply and they get staffing support. So I think, you know, I would definitely try to find as many outside the box partners as possible when trying to form a business that's not too cumbersome, but like invite extension to the table. I know, you know, you know, not every area has an extension agent that will either be able to help you or have the desire to help you or have the expertise.



00;36;08;11 - 00;36;31;05

Katie

And so but maybe it's not extension. Maybe there's another nonprofit in the area, like invite them to the conversations. They might be able to leverage parts of their organization to help your, you know, visioning process or where you succeed. And I think that's really, really important because we could never, ever have made this co-op happen if we hadn't had all of that periphery support.

00;36;32;03 - 00;36;47;25

Katie

And it still it would it would have collapsed a long time ago too, if we hadn't continued those relationships. But yeah, I think trying to be as transparent as possible while also protecting the business has to you have to be careful about that too. So. Mm hmm.

00;36;48;25 - 00;37;27;26

Kate

Yeah. Well, I love I love this story, Katie, because I think it shows it shows just the incredible sort of long picture, big picture vision that you have. You and your co food hubs have for your food system in your area. And and how this desire to have a cooperatively owned business is leads to a lot of messy conversations and a lot of long processing and that there's a lot of creative solutions that are possible to help guide that along.

00;37;28;08 - 00;37;53;01

Kate

So I love I loved hearing about that your decision making today and if there are any listeners out there who are interested in their own creative solutions to help their their local food systems, and you feel like maybe business structures something that you should be thinking about as you come up with the solutions. There's a really great resource at Farm Commons called Farmers Guide to Business Structures.

00;37;53;01 - 00;38;03;17

Kate



It's hefty, but it has everything you need to know. And there's also people like Katie out there to connect with. And I just want to thank you again for sharing your wisdom and experience with us today.

00;38;03;17 - 00;38;07;07

Eva

Yeah, thank you so much, Katie. We're grateful for you.

00;38;07;19 - 00;38;15;12

Katie

Thanks for anybody listening. If you do, feel free to reach out. I'm happy to share stories or more information for those farmers wanting to do similar things.

00;38;15;21 - 00;38;21;19

Kate

Wonderful. Well, we're going to end it up and sit here and see you all soon for our next episode.

00;38;22;09 - 00;38;23;02

Eva

Thanks, everyone.

00;38;23;14 - 00;38;39;04

Katie

Thanks. Bye. [music]

00;38;40;13 - 00;39;02;09

Kate

Okay. Thanks for joining us today. If you are interested in building a cooperative business, Katie would genuinely love to talk to you. You can reach out to her at the email that I've dropped in the show notes and keep your eye on our podcast feed for stories from our other Farm Commons fellows, Michelle, Martha and Hannah. To close us out here is a special treat from Katie.

00;39;03;07 - 00;39;04;20

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Katie

When you're standing.

00;39;04;20 - 00;39;48;17

Katie

Like a tree with your roots running down and your brand shoes wide open, down comes the rain out comes the sun. Born is the fruit of a heart that is open When you're standing like a tree with your roots running down and your branches wide and open down comes the rain Out comes the sun. Born is the fruit of a heart that is open When you stand in like a tree.