

# **Organic Farm Co-operative, Inc. (OFC) Project Overview**

## **Introduction**

Organic Farm Co-operative, Inc. (OFC) is to our knowledge a unique organization in North America because it is organized as a multi-stakeholder co-operative (MSC) whereby the members can own and operate a larger farm property. include:

1. Ability to reach and engage individuals with different types of interests so that a larger audience can participate.
2. More effective communications and marketing.
3. Better volunteer participation.
4. More effective governance.

Both, operationally and financially, an important result is that OFC's co-operative form can increase productivity because members contribute a significant amount of labor. In fact, FarmShare Austin, a non-profit organization in Austin, Texas, operates a very profitable training program whereby it charges individuals to work on its farms for about six months.

## **Project Summary**

Organic Farm Co-operative Inc. is a co-operative farming project that is currently incorporated in the Province of Ontario. The venture will grow and raise specific organic products that it will sell to its membership at reduced costs. Products will include but not be limited to:

- Organic vegetables
- Organic meat (beef, chicken)
- Preserves
- Honey
- Organic popping corn

The project is being spearheaded by Mr. Royce Hamer from Freelon, Ontario, and a Board of Directors (5), where each director has committed to purchase member units in the co-operative.

The company is offering about 100 equal co-operative land owner membership units for sale. In addition, three other forms of membership to the co-operative are available (two of which generate annual membership dues).

These memberships include:

- Committed Buying Members (\$500 annual dues)
- Priority Buying members (\$100 annual dues)
- General Members

The objectives of Organic Farm Coop include:

- ◆ Provide healthy organic food to its members at about 50% of the comparable grocery store pricing for similar products.
- ◆ Operate profitably.
- ◆ Increase awareness of healthy eating habits and strategies through education, video productions and promotion.
- ◆ Be recognized as a leader in the production of organic food products and provide a model that can be successfully implemented by other groups worldwide

### **Acquisition of Farm Property**

OFC currently has an accepted offer pending, subject to financing, to purchase a 96-acre property for \$899,000.

The acquisition depends on the project being able to secure financing of about \$550-600,000 with the balance paid with cash paid by the Co-op's land owners and other fund-raising (if needed).

Additional funds of about \$55,000 will be required by March 1st, 2018 to make leasehold improvements and purchase livestock, and equipment, including:

- Tractor
- Seeding machine
- Cultivator

These funds will be secured from the sale of remaining cooperative ownership units after the initial purchase of the property plus other fund-raising efforts. This funding is of secondary importance and will be for future developments.

The farm will have a strong and positive cash flow early in Year One which will continue throughout the initial forecast.

### **Marketing Communications**

With respect to marketing communications OFC's approach has generated campaign results that in some instances have been in the top .01% (1:10,000) of comparable campaigns on Facebook. [Facebook is now the pre-dominant advertising vehicle for a large number of targeted audience campaigns because of its demographic data.]

Based on audience-interests advertising results, OFC's customer acquisition cost is projected to be in the \$0.20/customer range, which is practically unheard of in the current advertising climate. In OFC's industry it is estimated that a customer acquisition cost of \$1.5/customer is excellent.

For example, below are statistics for one of OFC's Facebook Page campaign that shows the kind of audience targeting that are proven to be especially effective.

Potential GTA Reach: 1,400,000 people

#### Interests

- Ecology
- Farm
- Green politics
- Sustainable development
- Agriculture
- Nutrition
- Gardening
- Environmentalism
- Sustainability

### **Partnering**

OFC intends to place a strong emphasis on partnering with other organizations and groups that provide services and products relating to growing and delivery of quality food. For example, preliminary discussions have been held with The Stop Community Food Centre, one of Toronto's most established and strongest food services organizations.

OFC has also communicated with owners and operators of organic food restaurants who have indicated strong interests in working with our organization.

Additional partnering opportunities are being pursued, such as talks with the owner of specialized and very efficient composting and aquaculture equipment.

### **Socio-Technical Applications**

It ought to go without saying that the technological environment has changed radically in the last 10-15 years. This is the case, but adoption of organizational technologies that can be used to increase reach, participation, and productivity, has been relatively slow in smaller organizations, and especially with non-profits and co-operatives.

With some exceptions, Amazon in particular, even large corporations have been slow to take advantage of organizational technological methods. One powerful socio-technical application that is relatively unknown, but can be rather valuable in organizing and expanding OFC's mission is the Viable System Model (VSM). This model is especially applicable with the multi-stakeholder co-operative form.

The four aspects of OFC's plan that have been outlined here [(1) Multi-stakeholder ownership, (2) Marketing Communications Advantage, (3) Partnering and (4) the Viable Systems Structure] represent key factors that will greatly enhance OFC's prospects for success. They are also expected to generate considerable interest and support among many groups that favor improved urban and community access to healthier, less expensive, quality food.

### **The Project's Progress**

Considering the very limited resources that have been available to launch this project and bring it to fruition, the progress that has been made is truly impressive.

The best way to recognize what has been achieved, is to visit OFC's Facebook Page, at

<https://www.facebook.com/organicfoodcoopproject>.

The OFC Page, which was started about three years ago, in late 2014, currently has 3,100+ people following (supporting) it. Compare that with the Facebook Page of the Canadian Co-operative Association, started in December of 2009, that currently has 3,600+ people following it, just 500 more persons.

<https://www.facebook.com/CoopsInCanada>

The Canadian Co-operative Association has a national and international audience, has been in existence for more than 40 years and has received strong governmental support.

Of course, the comparison is not at all exact, but it is strongly indicative of the interest that exists just in the Great Toronto Area in OFC's project, and highlights its potential especially when a farm has been acquired and is operating!