

Cooperative Enterprise

Business Plan

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We go about our lives doing our thing, whatever that thing may be. We work a job, get paid, use the money to pay the bills and buy our groceries, maybe set some aside for a rainy day. We try to make ends meet, get ahead, improve our situation. We hope for a better future for ourselves and want to give our kids a better life. Some of us are doing pretty well. Some of us are struggling. Some of us are holding our own.

I'm one of those people who sees opportunity everywhere. Looking at what we do and the way we do it I see all kinds of opportunity. Ways we can make money. Ways we can save money. Ways we can get more value for the money we are already spending. What's more, we can do this without quitting our jobs, giving up our lifestyles or risking our life savings to take advantage of that opportunity.

I propose we start a cooperative business. We own it, we are the workers, we are the customers. We'll need lots of customers so we'll need lots of people involved.

To be more specific, we start a cooperative food business. When fully developed it will involve a farm, a kitchen, and a store. Food is the industry of choice because it is common to all of us. The farm gives us vegetables, fruits, herbs and more. The kitchen lets us process everything, including goods we can't grow. The store brings the volume of the general public.

This is normal food I'm talking about: Bread, milk, eggs, butter, potatoes, tomatoes, beans, rice, sugar, beef, pork, chicken, cheese, ice cream. Some of the food we'll be growing. Some we'll be buying in volume (that's why we need lots of people). Some we'll make from scratch.

You don't have to buy a minimum. You don't have to buy 500 pounds of something you won't use. You don't have to buy something you don't know what's in it or where it's from. You can buy as much or as little as you want. You don't have to buy anything.

You don't have to work. You can work, and that's where the money is. We'll be planting potatoes, slicing cold cuts, baking bread, stocking milk in the cooler, serving lasagna, making meatloaf, picking squash, shredding cheese, sweeping the parking lot, washing windows, building a chicken coop, using power tools, painting the barn, raking leaves, mixing ranch dressing, carving steaks, making milk shakes, fixing fence, collecting eggs, chasing chickens, making ice cream, scooping ice cream, serving ice cream, and every now and then we should take some time to enjoy some ice cream.

Let's talk about the money...How much is this gonna cost me? The straight answer: \$500. And it's not a cost, it's an investment. You own a share of the company. There are ways you can invest more. We'll be doing some fundraising to get the business off the ground. Let's talk about it more, maybe this is an opportunity for you. You can get involved with \$25/month. But we need the \$500. You can get involved as a customer with no investment. You don't make any money, but you can probably save some and get better food.

How much we can make depends on what we do, what we sell, what people buy, how much work we put in, how productive we are, how many customers we can attract, and how well we organize ourselves. We might make nothing, but that's doubtful. We could make a fortune, but that will take some time to develop the business. This is not get rich quick. I think we can save enough to make that \$500 investment worthwhile. I think we can beat minimum wage, and as we grow, do a whole lot better than that. I think our income can exceed our expenses within a couple of months. We may not be making much in the first few months, but we can keep the doors open.

OBJECTIVES

Let's further define the purpose of the group to better explore it's potential. Since people involved would be determining their own destiny and forming a cooperative enterprise with their own purpose in mind, the following list is more of a guideline. There is nothing written in stone here at this time. Before the launching of the enterprise, the objectives and founding principles of the group must be clearly stated. If they are changed mid-course, there must be entrance and exit strategies for members, lest the list become a bait and switch tactic.

We want to

1. Make money
2. Save money
3. Get more value for the dollar we are already spending
4. Earn a reasonable return on our investment of time and money
5. Create opportunity

We are willing to:

6. Invest in the enterprise to get it started and keep it going
7. Commit to keeping the project going
8. Contribute time to make things happen
9. Go the extra mile

We need to:

10. Produce our own goods
11. Provide our own services
12. Buy our own products
13. Become more self-sufficient
14. Put ourselves to work
15. Support the local community and local economy
16. Maintain high and clean moral and ethical standards
17. Look out for ourselves and each other first

1 We want to make some money

In order to start this project we each have to come out of pocket for the initial investment, plus cough up another \$25 every month. It would be advantageous to recover that investment as well as generate a residual income stream. Rather than debate the ethics of money and greed, we'll use money as the incentive which drives the project. If we can do all the things in this plan and make money, then we have realized the purpose of organizing ourselves.

2 We want to save money

Cooperation, sharing and efficient use of resources serves this end. Optionally, everyone can skip the plan and keep pouring their money into the toilet.

3 We want to get more value for the dollar we are already spending

Everyone in the group is already spending money on groceries, tools, goods and services. Rather than spend it individually, we use those dollars collectively. A tool library excels at meeting this objective. We gain access to more items of better quality in a shorter time period. With a place to store the items, a means of delivery, and a staff to maintain them we gain dependability and durability.

4 We want to earn a reasonable return on our investment of time and money

The question here: "What is a reasonable return on investment?" The best answer I can come up with is 'more than you were getting before', and with as little risk possible. Beyond that, any figure greater than the rate of inflation keeps you even or better.

A reasonable return on our investment of time is a little easier to quantify. Minimum wage is the start. We should earn at least that. A lot of the work duties involved in a farm or food service operation can be done with unskilled workers. Raise the bar to a higher target: \$10/hour.

5 We want to create opportunity

A short description here is difficult. With the core projects of a farm, kitchen and store, there is already a huge opportunity for the group. Individuals can take advantage of these with garden plot rental to grow food on their own, renting the licensed kitchen overnight to produce their own goods, and producing quality craft products for consignment sales in the store. Being able to access the tool library, anyone can take on a side project...taking it all the way to start a business. The Cottage Industry Project opens the door for anyone willing to go through. Being able to learn a marketable skill, better oneself, and build confidence offers more opportunity than can be quantified.

6 Invest in the enterprise to get it started and keep it going

We need the initial investment to put it all together. \$500 for a share of the company is a start. If you believe in the idea, Invest in the land company. Become active as a sharecropper, keeping the bills paid and the doors open. Buy your goods from your own company.

7 We are willing to commit to keeping the project going

This means giving up your weekend fun time to give it what you've got. This means coming in when the phone rings. This means doing your best when you are here. This means serving as a representative for the group when you are out in public, without being a zealot. This means striving to keep the bills down by bringing in compostable materials, searching for deals, turning off lights, returning tools to their proper location, keeping the place clean, reporting damage, searching for ways to improve operations, proposing new products, ideas, and methods and also putting in time to think them through with full detail. This means sharing your experience with others so they become better workers and better people.

8 We are willing to invest time to make things happens

There is much to do before Move In Day. We need to recruit members and investors. We need to develop a plan specific to the needs of the people involved. We need to find potential customers and make friends with them. We need to be on the lookout for properties and opportunities. We need to find the resources and supplies we'll want later. We need to develop relationships with people in the group in order to better understand our abilities. We need to develop relationships with people outside of the group in order to extend our reach and find more opportunities.

9 Go the extra mile

Get involved. There's plenty of work to do. There is also organizing and planning that needs to go into everything we do. Bringing creative ideas to the table can sharpen our industry and bear fruit in

ways as yet not thought of. Come in early, stay late, and put your best foot forward to get the job done on time and on budget.

10 We need to produce our own goods

Buying in bulk is a fine plan which allows us to redirect spending to our own company. The kitchen lets us produce those goods for the cost of ingredients. The closer we are to the source, the cheaper the goods become. The farm is the source. We gain resilience and independence when we are not dependent on others for our needs.

11 We need to provide our own services

You hire someone to mow your lawn? We've got the equipment in the shed and people lined up begging for work.

12 We need to buy our own products

As seen with milk, even if the price is the same as another store, WE make the profit. For those items we make, we need to make them better.

13 We need to become more self-sufficient

A diversified income gives each person involved an advantage. Self-sufficiency brings independence. This applies to the group as well.

14 We need to put ourselves to work

If the economy goes into decline, we have a back up plan.

15 We need to support the local community and local economy

No matter how much business we take to JC Penney, the owners are not expected to come to us with their business. Buy from Domino's Pizza, they will continue to do business with their same suppliers. A local pizza shop may take an interest in buying our produce, carrying our baked goods, and allowing us to place a can collection box outside the store.

16 We need to maintain high and clean moral and ethical standards

Clean refers to the crispness of the standard: Do what's right. There's no gray area there. Treat each other well. We've got no labels, we are not black, white, gay, fat, stupid, bald, old, useless, Jewish, geeks, jocks, or a member of some societal partition which make you or them lesser, better, more privileged or undeserving. If you are part of our group, you are doing what you can for the betterment of all of us. Rather than shun or bully someone who is not meeting your expectations, it's your place to help them become more.

17 We need to look out for ourselves and each other first

The missing word is Myself. If we can't take care of ourselves, we can't take care of others. There may be room for charity, but not at the expense of someone in the group who needs their due.

Business Structures

- Land Company, The Investors
- Cooperative Enterprise Company, The Co-Op
- Sharecroppers, The Workforce

The single biggest obstacle in this enterprise is The Money. We need it, plenty of it, and it has to come from somewhere. The best way to eat an elephant is one bite at a time. The biggest bite is the

property. The co-op company and all its equipment is a smaller hurdle. Operating expenses is considerably smaller and more manageable. Getting the money in place can be done with the right combination of strategies.

Even in my area, a property suited to the needs of the group will run \$50-100k just for starters. We would need \$1000 from each member of the co-op to get the enterprise started, and once the \$500 threshold is crossed, the population of candidates starts to quickly thin. Let's be an organized group in search of a home and a means of financing that home.

We need a Land Company.

The Land Company

Establishing the Land Company as a separate and distinct entity removes the single largest portion of the investment needed. In a more traditional business, the amount invested by each investor determines the share of ownership and subsequently the share of profits. Part of the purpose of the co-op is to change that paradigm such that the greater rewards go to the people making the contribution. The Land Company buys the property, not everyone's effort.

The Land Company is a property management company. It buys properties and sells them to buyers or rents them to tenants. There are existing property management companies all over the world. There are probably several in the area where the co-op wishes to set up shop. If we can rent the property we need, we don't need that huge initial investment. The problem with rent is that it tends to go up. In my experience, if the tenant is operating a successful business, the rent tends to go WAY up. We don't need a landlord reaching into our pocket a little deeper every year.

Another problem with paying rent is the simple fact that we gain nothing other than temporary use. The difference between an owner and a renter is a down payment and financing. One of our primary objectives is to get more value for the dollar we are already spending. Rather than spend money on rent, we should spend that money on a mortgage. If we found a suitable property for sale, we'd still have to come up with the down payment which can send us over the top and start pushing people out of the co-op with too high of an initial investment.

An effort must be made to get the word out as to our intentions and seek out investors. Entrepreneurs call these people Angels. We'll need these Angels to look at our plan and determine if we are a worthy investment. There will be some members of the co-op with the means of investing in the Land Company—we may find our own Angels right at home. The land company can sell shares to raise funds in the same way as any other corporation out there. The Land Company is controlled by its investors. It is in our interest to raise as much as we can among ourselves before turning to private investors. The land company can borrow from private investors, offering a fair rate of interest on the loan.

Initially, all we want from the land company is to finance the sale of the land to the co-op. Those temporary private investors making loans is a means of raising capital and paying off debt. Anyone can get involved in this manner, for any amount up to our need. It's an investment opportunity. Over time, we pay off those investors. While we can invest our own money to create the land company, all we really need is a shell company which can borrow as needed. We take on debt, pay it off according to schedule. We can also take on debt at a lower rate to pay off existing debt. In effect, we have our own investment company. Down the road, should the co-op decide an orchard is a project to pursue, we can turn to the Land Company. Perhaps another co-op group forms in the next county seeking to emulate our enterprise. The Land Company could take on a life of its own, helping farms and co-ops get started well beyond the scope of our little group. This is a project that can make a

difference to a great many lives.

It is important to understand that the Land Company is not a requirement to get started. While it can improve the situation of the Cooperative Enterprise and offer opportunities, we can still proceed in a limited fashion.

Cooperative Enterprise Company

The plan is quite simple: bring together a large group of people to form a company. Since this is a cooperative enterprise, equal shares is the direction to go: One family, One share. Having a shareholder own more than one share does not make sense with this plan. It's not the investment that makes things happen, it's the participation. Anyone seeking more than a single share is missing the boat or looking for control. Looking at legal structures, an LLC, Limited Liability Corporation, has the advantages that would serve the group well.

The cooperative enterprise company is the framework upon which the group builds its capabilities. The company buys the equipment, rents or buys the property, sells goods and makes a profit. The company is a legal entity that can enter into contracts, conduct transactions, and do all those things a business can do under the law. It can earn a profit which is evenly split between the equal shareholders. The several shareholders have rights and privileges under the law. The shareholders have an equal voice in determining the destiny of the company. There would be issues that would require a vote, such as changing the operational philosophy with a move from organic to chemical farming. The shareholders elect a board of directors if that is the selected administrative structure.

Prior to acceptance of the purchase price of a share, would-be shareholders will submit to the steering committee of the company a signed shareholder's agreement. This agreement establishes details with which the shareholder will comply. Compliance will be overseen by the Judicial Board. Non-compliance may incur a penalty up to and included forfeiture of the share without compensation. The shareholder's agreement will include rules governing the sale of shares, in particular, prohibiting sale to non-US citizens. The formation of an s-corp instead of an LLC requires all shareholder be US citizens. In the future it may be necessary to change from one form to another. The shareholders agreement may include a requirement for 5-10 hours of time to be contributed each month. It's your company, you should pitch in. The agreement will include solutions for failure to meet the time requirement. The agreement will include a requirement that shareholders serve on committees, including the Judicial Board. The agreement will include a limit of shares owned to a single share between 2 spouses, and that share can not be further divided.

Now let's get into the meat and potatoes.

Regardless of the business we wish to conduct, we'll need an entity under which to conduct our business with limited exposure to personal liability. We live in a litigious society and there will always be vultures looking to take what we have. A corporate structure protects the shareholders from personal liability in most cases. In most states, officers of the company will be held personally liable for payroll and taxes. With the number of people involved, a corporate structure is a necessity.

Regardless of the business we wish to conduct, we'll need a place to do it and things to do it with. The Land Company, as a separate entity, handles the details to acquire property. In the absence of a Land Company, the Co-op company will acquire ownership or access to the property. The Co-op company serves as the umbrella under which everything happens. It can buy, sell, rent, borrow, and loan property, equipment, products, and intellectual property which it owns.

Any project we wish to take on requires a location, a system to handle the money, electricity,

water, sewer, a bathroom. As separate entities, some projects would not be big enough to be financially feasible. Cans for College is a perfect example. When included with the overall enterprise, these small projects have the ability to evolve to their full potential and make a contribution to the group and the community.

The Co-Op company will need a statutory employee to see to daily operations. This Project Manager will oversee all areas and departments and will be the ultimate authority concerning daily operations, delegation of assignments, equipment use, who is allowed on the property to work and in what capacity their presence is permitted.

It is likely that the company will need a statutory employee to serve as a bookkeeper and office manager. Record keeping, paying of bills, document processing and storage is expected to be a significant task which would be best served by a dedicated employee.

As the company develops, additional statutory employees may be necessary. These people would manage major projects such as the farm, kitchen and store. They may be full time, part time, or as needed for special events and functions. In the state of Florida, a food service operation requires a competent person in a supervisory role to be certified in food safety training. A commercial operation may encounter the need for a consistent, skilled and experienced staff. These key positions would give preference to applicants involved as shareholders and sharecroppers.

Sharecroppers

The shareholders agreement provides the core of the labor pool. Each shareholder agrees in writing to contribute so many hours per month. I've suggested 10 hours per month as being a reasonable expectation. With only this resource from a pool of 200 people we have the equivalent of 12 full time employees at our disposal. There is much we can do, but as we develop projects the need for labor will increase.

There will be some people willing and able to contribute more time. We can also include provisions which make it possible for the shareholders to put in no time. Unless we make provisions for people to contribute more effort and be rewarded for it we have the same problem as the current corporate world: investors not working being rewarded at the expense of the worker. If Jack and John both own an equal share of the company, they get an equal share of the profits. If Jack puts in twice the work, balance and equity are lost and the door is open to petty bickering.

Without an incentive in place it is unlikely their either John or Jack will contribute more than the minimum requirement unless they have very big hearts. We'll be working with scores of other people. Relying on goodwill would be cynical. Our objective is to create opportunity, not take advantage of people.

We could hire employees, but at the start we have a serious lack of funding. We can barely afford to fill a select few key positions to meet regulatory requirements. If hiring staff is the direction to take, we have a duty to the shareholders to hire experienced people from the available labor market which means not you or your kids. Many of the shareholders would have the door of opportunity slammed in their face. It is foreseeable that once passed over, they will throw their shares on the ground, walk away, and take their business elsewhere. The entire enterprise collapses.

If we are to build up this company starting with a tiny investment we have to look at using the sweat of our brows to do it. This is a team effort. Everyone involved has value and if we nurture the inherent ability within each other, there is nothing we can't do. These people want opportunity, dignity and choice. Give it to them.

Looking around for ways to make this plan work I came across a description of sharecroppers in the post Civil War era. A farmer has land that needs to be worked, but emancipation left him with no crew. Meanwhile, here's a bunch of refugees, freed slaves, and people who are unemployed because Sherman burnt the place to the ground. Go to work on the farm, get a share of the crop, everyone wins. I started this plan with only a farm in mind. Sharecropping was the right term and the right means of making it work, so I've been stuck on using the term.

Limiting the focus of this enterprise to a farm did not fully utilize crop production without a kitchen in place. It would be a shame to grow several tons of tomatoes and have them rot because they did not sell. With a kitchen, we can make tomato sauce, adding value to our product, and store it on a shelf until it sells. The sharecroppers can work in the kitchen as well as the farm...or in the store or in the tool shop or wherever else we are doing our thing.

Should the cook who makes the tomato sauce get a bonus for adding value? Absolutely not. This would imply the folks in the field doing the growing and harvesting have less value. For the most part, the skills we will be using to operate the enterprise are pretty simple. My skills and abilities are different from yours: I'm good at cooking, you are good at cleaning. To do the whole job, we need each other. This enterprise will have all sorts of jobs, all of which are needed to make the enterprise work. We'll need people who can make an effective sales presentation to a local restaurant as well as people to scrub saucepans.

There will be times when one will need to swallow one's pride to get the job done. I've worked in restaurants in every capacity for many years and in every single one of the Mom and Pop shops I've seen the owner scrubbing pots and mopping floors. If you are going to be part of the team, you've got to be willing to pitch in on every job. If you have the attitude that some jobs are beneath you or that you are better than someone else, you won't be treating others with dignity. You WILL be taking a turn cleaning the bathroom. Not only will you not complain, you'll be Glad to do it. If we have a bathroom to clean it means we're doing it right. If we are doing it right, we are creating opportunity for each other and that's something to be proud of.

I digress, let me get back on track with the sharecropper modus operandi.

What if we removed that time requirement from the shareholders and make it voluntary. This would remove all our labor. If we want people to pitch in, we're gonna have to pay them. If they don't work, nothing gets done, the company makes no money. The money we make is dependent on contributing time. The shareholders have pitched in their hard earned money and deserve a return on that investment. The people are putting in their time, they deserve a reward. The company has to break even at the very least. We've got to come up with the minimum expenses. If we don't meet the minimum, we go out of business.

In the explanation of the Pizza Shop I came up with a figure of about \$6000 per month needed to break even. We don't make a profit, but we keep the doors open. With this enterprise, some projects will save people money even if we made no profit, so there is a value in pitching in some effort regardless of earnings. What we need is a guaranteed income. If we've got that, any profit we make is to the good.

Here's the deal:

The company will pay out 80% of the profits to the sharecroppers. The remaining 20% will be used for further development, improvements, expansion, creation of new opportunities with whatever leftover being paid out as dividends to the shareholders. In exchange, the sharecroppers agree to pay a monthly fee to use the facilities, participate in, and contribute to the various enterprises. The hours contributed will determine the portion of payout to the sharecroppers.

Total hours by all sharecroppers are added up. This is divided into the sharecropper payment (80% of company profits). The result is the amount paid out for each hour worked. Each sharecropper would receive a check for that rate multiplied by the hours they have contributed.

To put this into hypothetical numbers, let's say the enterprise earns a profit of \$100,000 and the sharecroppers have contributed a total of 10,000 hours. The company keeps 20%, \$20,000. The company pays the sharecroppers the balance of \$80,000. Each sharecropper would be paid \$8.00 for every hour worked.

This sharecropping notion changes the dynamics of the way this company operates.

Dynamic: The Co-op has the guaranteed income to pay the bills.

Immediately this removes stress and anxiety. The company has a greatly reduced chance of failing. With that reduced risk, we become more attractive to potential investors. This applies to the Co-op as well as the Land Company.

The bills are paid. Anything we do improves our situation. The caveat here is that we need enough people involved as sharecroppers to meet the budget.

Dynamic: The shareholders have an opportunity to earn a return on their investment and have a direct impact on the growth of that return.

While they can choose to distribute all of that profit among themselves, reinvesting it into further development improves our abilities and potential. They have an incentive to participate as sharecroppers, but it is not a requirement. Anyone (US citizens) can be a shareholder.

The impact here is if the first co-op shows a significant performance. When the return on investment for a non-participating shareholder reaches a particular threshold, this idea would be duplicated far and wide.

Dynamic: The sharecroppers have the incentive to contribute as much time as they wish.

Unemployed and underemployed sharecroppers would be able to contribute a great deal of time. It may be necessary to impose limits. The kitchen can only fit so many people. The store only needs so much attention. The farm can absorb a huge amount of time. The Work Crew project can absorb some time. Unlimited hours invites abuse. People would be able to clock in then hide in the barn. We will hold ourselves accountable for the time we put in. The sharecropper in technical terms is an independent contractor, working under the terms of a contract agreement. Abuse of the terms is a J-Board offense subject to penalty up to and including cancellation of that contract and permanent removal from the approved vendors list.

Dynamic: The sharecroppers have the incentive to recover, reduce, and eliminate the sharecropper fee.

Simply by buying their groceries and supplies through the Store and Buyers Group they will save some money to offset this expense to some degree. Larger families have the greatest ability to save. Buying through the store generates a profit for the group, so it is in the interest of the sharecropper and shareholder to buy goods that are the same price as elsewhere.

Dynamic: The Buyers Group has few practical limits.

The Store and Buyers Group can handle a pretty massive volume. As volume increases the labor demand does not increase in direct proportion. Our rate of profit per unit time is increased. If you want a raise, it is in your interest to promote the company, the store, and the buyers group to everyone you meet. It is also in your interest to uphold the reputation, customer service and public appeal of the company.

Dynamic: We all earn at the same rate.

The guy scrubbing the floors makes the same as the guy selling pies. Nobody is on the bottom

of the totem pole. There is no pecking order. This can be used as a dangling carrot. Keeping the group continually updated on our progress is an incentive to perform efficiently and contribute more time. Here's the kicker: It is an incentive to lift people up, build up their confidence and abilities to become more competent and effective. I could work more efficiently than you, but if I teach you to work more efficiently, you'll do so when I'm not around and you'll be able to share what you've learned with others. Teaching and training become key factors in every aspect of the operation.

Dynamic: A sharecropper is not required to buy a share of the company.

This one needs some thought to understand the implications. Without making any investment in the land company or the co-op company, someone off the streets can simply show up, pay the sharecropper fee and earn a share of the profits. Yup, that's what this means alright.

Initially, we'll temper this with practicality and self-preservation. It's our company, we come first. We'll develop a staffing schedule and fill it with shareholder-sharecroppers before we offer open enrollment for new sharecroppers. If we don't have enough work for ourselves, it makes no sense to bring in nonowner-sharecroppers.

We will experience attrition. People come and go in their lives. New job, marriage, separation, deaths, births, college, retirement...all sorts of reasons for people to wander away from us. The Plan needs to account for this. The ability to replace an exiting sharecropper with a new one keeps the Co-op from becoming extinct.

If we are doing it right we'll be able to earn much better than a minimum wage job. For some of us, this is more than we are making now. When it becomes more reliable, some folks will want to replace their current job with the sharecropping role. The better the company does, the more of us will make the jump. Our potential labor crew includes everyone in the family. It is foreseeable that if the enterprise is highly successful some people would want to duplicate the success in a nearby town. It would be possible to be a shareholder and sharecropper in several duplicate or similar enterprises.

Primary Components

- Farm
- Kitchen
- Store

Cooperative Farm

The organic food market has been growing for decades. Quietly at first, but developments in recent years have brought it to the forefront. There are issues with pesticides, herbicides, GMOs, the bees, pollution, energy and water consumption, and the health of the people eating the food produced with synthetic inputs. Food might be clean when it leaves the farm, but processors can treat that food with undesired contaminants in every step of the supply chain up to and including the store you buy it in. The only way to know what is in your food is to grow it yourself or get to know your farmer in person.

The public is growing increasingly disillusioned with traditional agriculture. At this point the US is unable to keep up with the demand for organic produce and is importing a larger volume each year. Meanwhile, the cost of the synthetic inputs is rising along with petroleum prices. Now that 25%

of the corn crop is used in ethanol production, food prices are permanently linked to energy prices. We've seen food inflation spike since 2008 when oil hit nearly \$150/barrel. Food is no longer cheap, and it will only get worse.

Something like a third of US organic crop production is in California. A third of the population is on the East coast. We suffer price spikes when energy prices climb because our food travels thousands of miles to get to our plates. God forbid we find ourselves in a fuel crisis as experienced in 1973. Adding to California's woes is an unrelenting drought. You've got to have water to grow vegetables. Right now in California wells are running dry. Groundwater is being depleted to such an extent that the ground is subsiding across the central valley, the Governor has declared a water emergency, and people are stealing tankers. The impact on produce prices is being felt across the nation.

We've got too many eggs in too few baskets. A few years ago, the drought in Texas caused a spike in hay and silage prices. It became too expensive to keep cows. Farmers sold off their herds en masse. The rise in supply brought down beef prices for a time, but repopulating the herds drove them back up to the highest levels ever seen. The bird flu epidemic going on right now has resulted in a spike in egg prices. I'm hearing reports of \$5/dozen in major cities, for battery eggs. As a nation, our food system is in peril. It needs to be more distributed, more diverse, relocalized, and removed from the chemical teat.

There's never been a better time to get into farming. Input costs are rising for traditional farmers, but organic inputs are free. Operating costs for traditional farming is heavily dependent on fossil fuels. Organic growing can be done without the use of fossil fuels. Food prices are rising. The system is buckling. People want clean, wholesome food loaded with nutrition and flavor. All this creates opportunity for an organized group of motivated people.

If we can grow it, we can sell it. The first line of customers is the people in the group. How much land we have available will determine production volume. If our volume is less than internal demand, all our product is sold, and we'll be looking for more land. We can make changes in our growing bed configuration to maximize our production space, and produce enough to meet internal demand on a few acres. If all we did was supply our own produce needs, the income generated would be enough to start making a difference in the lives of the people in the group. The cost of groceries is beating us down. If we were to redirect that spending locally, we'd create employment for ourselves. Local people + local production + local consumption = resilience. In the event of another gas crisis, or a truckers strike, or droughts on the other side of the continent, we stay on top. What's more, by diversifying our production with polyculture rather than a monocrop, the farm takes on a level of resilience that will outperform any traditional farm no matter what Mother Nature and politics sends our way.

The farm is only part of the equation. It serves some of the needs of the kitchen and store operation. It can readily absorb all the time the sharecroppers have to contribute and still ask for more. A kitchen can only fit so many people at a time. The farm gives us room to undertake a wide range of projects and do so with very little additional cost.

We need a home base, get one with land so we can grow vegetables. We bring in our leaves, grass clippings, kitchen scrap and we've got a copious supply of compost material to put to use that costs us nothing. While you're at bring in your aluminum cans and other recyclables. Clean out your basement, attic, shed, spare room and back porch, haul that in for a repurpose shop. We've got a need for tools to work around the farm, cashflow to acquire them and the room to set up a tool library which will benefit everyone. We've got people and tools, we can put ourselves to work and gather more compost and reuse materials at the same time. Drag in your scrap lumber we'll build a chicken coop or

make use of it in the workshop. People need information as part of their learning process. With all our coming and going, a book swap and media library becomes a no brainer. All of this can be done using perhaps as much as an acre. The rest of the land is used for crops.

How much space we have available is a key issue. Not enough land will limit our income potential and ability to grow the operation. Too much land at the start can take time to develop. Meanwhile, we are paying the mortgage and property taxes. There are ways to put that undeveloped land to use. Garden plot rental and storage come to mind right away. The absolute minimum is 5 acres. If the entire enterprise is a 5 acre farm, it would be a hobby for most folks involved, yet big enough to offer a chance for some to pick up the ball and run. We'd be able to develop that space in short order, pay the bills, and get into some projects which can save us all enough money to make it worthwhile. The greatest gain on a small farm is the opportunity for the young people. At 10 acres the income potential is enough to start making a difference in people's lives, even without the kitchen and store. Beyond 10 acres we start to get into some serious numbers and gain the ability to handle livestock and orchards. Sticking with vegetable production is still practical at 50-100 acres. Starting with a spread of a couple dozen acres could be a strain on the budget. Adding a property to our portfolio later gives us the means to grow at our own pace without biting off too much all at once. Let's work on paying down that debt first. Too much business is as bad a problem as not enough.

Cooperative Kitchen

The kitchen processes goods from the farm and elsewhere to be sold in the store. The processing can be as simple as washing potatoes from the farm or as complex as preparing a full menu of entrees and side dishes for a supper house operation. Using the kitchen for production of Value Added Goods would be one of the first steps in redirecting spending to our own company. Examples of VAGS include sauces and salsa from our farm tomatoes and produce, fresh bread and baked goods from purchased ingredients, and roasted, sliced turkey breast cold cuts sourced from anywhere in the supply chain, purchased or raised, raw or precooked.

Barebones startup with land and a residential home is limiting. While a residential home on the farm can handle a snack shop, lunches for a small work crew and dinners for perhaps a couple of dozen people, if we are to redirect a significant portion of the group's current grocery spending and attract the general public, a commercial kitchen is required. A commercial kitchen capable of handling the volume of several hundred families will require at least the following:

Walk In Cooler	\$5-15k
Walk In Freezer	5-10k
Stove	2-5k
Oven	4-5k
Hood	4-8k
Sink	1-2k
Stainless Steel Tables	2-5k
Shelving	1-4k
Pots and Pans	1k
Mixer	1-3k
Slicer	1-3k
Ice Machine	1-3k
TOTAL	\$35-65k

These prices are for new equipment. Used restaurant equipment is less expensive by as much as half. The soft economy these last few years has seen plenty of restaurants close down. An abundance of supply favors the buyer.

The exact specifications would be dependent on what we want to do, how many people are involved, the population of the town, and if the equipment is new or used. There will likely be renovation and utility improvement costs involved. The food service industry is an important sector of the economy. Equipment is widely available in a range of sizes and style suitable for our needs. The market for used equipment is enormous, giving us the ability to upgrade from a 4 burner stove to a 6, 8, or 10 burner stove and recover much of the cost of the stove being replaced. Equipment such as the hood and walk in refrigeration are installed rather than placed. The nature of the work going into upgrading these items makes it cost effective to get larger units that we can grow into, rather than smaller units that we outgrow quickly.

Clearly, a kitchen operation is a major investment dominated by cold storage and cooking appliances. The figures above are quite flexible, allowing some components to be brought online in different order of priority. A solely baking operation can begin with a single oven, small hood, and reduced workstation, shelving and smallware needs. Reach in refrigeration in place of walk in units can handle some production, including meats which offer high productivity and enable a smaller initial investment if the situation restricts complete development.

It is entirely practical for some of this equipment to serve double duty. A walk in freezer accessed from the walk in cooler is energy efficient, and offers an emergency backup cooling unit by cracking the door. Cooling racks for baked goods would be used with several products. Sheet pans are universally functional. Roasting pans can utilize steam table inserts that are not in use. The walk in cooler could have one side shared with the store, rather than purchase separate display coolers. Refrigerated shelving on wheels can offer greater use of limited space. Cutting boards placed across a sink form an effective work station and one which is greatly appreciated when slicing onions.

The space required for the equipment above is on the order of 500 square feet. This does not include walk in coolers, pantry storage, equipment storage, or dish washing and storage. To allow future expansion and room for training, as much as 1000 square feet could be allowed. 1000 square feet would be a tremendous space, and we can surely make use of it. If we put all of that space to work, further upgrades should not be an issue. Keep in mind that not everything needs to be inside. The walk in cooler and freezer are self contained. They can be outside, around the corner, or down the hall, although shared with the store is best. Some equipment can be stored in a shed when not in use. It's good practice to wash them when they enter service regardless of storage location.

By starting with as complete a kitchen as possible lets us move ahead with enough projects and products that we have a better ability to generate income. We're not stuck waiting for the next piece of equipment to come online and limping along with a partial kitchen, partial product line, and partial store. The kitchen and store offers immediate cashflow for the company and immediate savings for co-op members and the public. A farm will take time to develop and raise crops. A kitchen has products ready to market as soon as they are cool enough to be packaged. We've got an army of people to work with and an army of customers begging for products. We can best serve our objectives by starting off with a complete operation.

With the core equipment in place, we can develop a food service operation with only a handful of additional, specialized equipment. A bakery calls for a proofer and cooling rack. A pizza shop requires a pizza oven. A deli needs cold display units and is enhanced with a steam table. A sandwich shop can be developed with the equipment already in place for the deli. A supper house is a deli with a steam table and an alto shaam. A restaurant is a supper house with a dining room, dishes, dishwasher

station, and a cooks line with hot and cold storage units. Commercial wholesale products need packaging and a vehicle for distribution. A buyers group makes use of cold storage, shelving, tables and portion control equipment.

A licensed commercial kitchen presents opportunity for cottage industry to move ahead. Anyone would be able to rent use of the kitchen. There are rental kitchens out there. Pay an hourly fee, you can use the kitchen and it's equipment. A small company would be able to produce their product in a licensed establishment for sale elsewhere. For example, Jack has a small business which makes and sells his secret hot pepper sauce. It would not be cost effective for Jack to set up his own kitchen just to produce a few small batches every now and then. With a rental kitchen, Jack can bring in his own ingredients, mix up a batch, bottle it, label it, clean up and take his product to market.

Projects

Starting a new business from the ground up brings a substantial investment just to establish the framework. The existence of the farm, kitchen, and store opens the door for more projects to be added to the enterprise. We've already got a location, structures, systems, legal documentation, staff, a bathroom, cash handling procedures, insurance, and hundreds of customers. We don't incur the expense of reinventing the wheel every time we add on a project. This puts a world of opportunity within reach.

The kitchen and store shows us that adding just a few pieces of equipment expands our product lines. We already got a bakery, sliced cold cuts, produce from the farm. Adding on a sandwich shop calls for a cold table and a menu. We've already got staff and frozen storage. Adding on an ice cream shop needs an ice cream making machine and a display case. We've already got some tools to work with on the farm. Making them available to borrow requires some tracking procedures.

We've already got components and resources in place. How we combine those parts and pieces, and what we do with them presents virtually unlimited potential. Each project we add can lead to more projects. For example, we already mow our lawns and rake our leaves, hundreds of us. Rather than placing the trimmings and sacked leaves by the curb, we bring them to the farm to make our own compost. This will save us money and add fertility to the fields. While we are at it, we can use the compost to raise worms and chickens. The chickens give us eggs. With the worms, we can develop aquaponics, giving us fish and irrigation all in one fell swoop.

There are projects that we can get going for free. Others will take investment, but offer a benefit making the investment worthwhile. There will be cases where we will be making the investment as a matter of course. Some of these projects will save us money. Some will make money for the co-op. Some offer opportunity for people.

Project: Scavenging, Gathering and Repurposing

This is a project that costs nothing to start. It will require covered storage, with some of that space eventually being indoors. A small enterprise with only a kitchen will have limited space, making this project inappropriate. If the group has a farm with several acres, a great many things can be appropriate. Employing building materials sourced from the gathered goods offers covered storage, which puts most items in the salvageable category. Neat, organized indoor storage space allows the collection of clothing, books, and other items which would suffer damage in an outdoor covered space.

As mentioned above, leaves and grass clippings can be put to use. These are waste stream materials which we have at our disposal in great volume and zero cost. We can bring in other materials besides leaves and grass. Bring in your scrap lumber. We've got tools in place. It's a simple matter to set up a woodshop. With a woodshop in place, it's a simple matter of putting it to use. From that can spring retail products such as picnic tables. Individuals can take the ball and run, developing a cottage industry of their own. Jack can make wooden toys, games, crafts, and case pieces. Bring in your surplus materials. Old clothes, small tools, unused equipment, that half gallon of leftover paint, that box of books that has been in the closet for 4 years. This has the makings of a repurpose shop. From that can spring arts and crafts workshops and classes. We'll turn those old clothes into reusable shopping bags. We're one step away from an Arts and Crafts Fair. Instead of throwing them out, bring in your aluminum cans. We'll start a scholarship program.

Project: Buyers Group

For a lot of people, payday is Friday. A common routine on a Friday will find someone in the family pick up that check, run to the bank to make a deposit, run to the supermarket to pick up groceries. I've seen this practice going on with coworkers and friends all my life. Money is tight for a lot of people. There is not much to invest in a deep pantry. Groceries are packaged in volumes to last about a week. People pick up a weeks worth of groceries, paying top dollar for small volumes. Come Friday, the cupboard is bare. Every week sees the same pattern. Each cycle takes time and costs money in fuel to get to the bank and store. This is inefficient. We can all get more for our grocery dollar if we work together.

Take sugar for instance. A 5 pound bag at Walmart is \$2.62. A 50 pound sack at Sam's Club is \$18.38. This large sack could be repacked into smaller containers to provide the same product people are already buying for a better price. If the price is the same, that 50 pound sack is effectively resold at \$26.20 for a profit of \$7.82. 200 families buying 5 pounds of sugar all at once demands 1000 pounds of sugar. 20 sacks of sugar would generate a profit of \$156.40. We still need to go get it and repack it. We've already got the truck and trailer in place. A drive from my area to the nearest Sam's Club is around 75 miles making a round trip of 150 miles. At 15 miles per gallon, 10 gallons of fuel would be consumed at a cost of \$35-40. We also needs bags to contain the portioned sugar. Pick these up for a few bucks at Sam's while we are there. An accurate scale can be had for a couple hundred bucks and can be used for many projects and products besides weighing up sugar. Put the cost of the scale in the bookkeepers column under Tools. A sugar run can offer \$100 in profits to work with. Since we want to make money as well as save money, perhaps there is a point in between the supermarket price and the warehouse store price which immediately saves people on their grocery bill and also offers a small profit for the company. A price of \$2.37 for a 5 pound bag of sugar saves each buyer 25¢, pays for the travel expenses, pays for the bags, and leaves around \$50 in the company till.

With the price less than the supermarket, the sugar becomes a viable product for sale to the general public. There are 200 people with a vested interest in moving as much product as possible. Their job is to tell their parents, cousin, brother, coworker, neighbor, the guy who fixes their car, their buddies, and people they meet on the street. It will take time to build sales volume and the money is not available to invest in inventory. A simple solution is for buyers to order ahead and pay when they order. If it's not paid for, we don't pick up the products. With the equipment available, a truck and cargo trailer, there is a capacity of a couple of tons of cargo which can be picked up with each trip. In the above example, sugar fills about a fourth of the capacity and has paid for the transportation cost.

We'll be looking for more items which can offer savings to the customers as well as a small amount of profit for the company. There are hundreds of them. Sugar, coffee, flour, toilet paper, paper

towels, salt, cleaning products, soap and hygiene products, HBAs, pet food, light bulbs, breads, meats, cheeses, herbs and spices, batteries, plastic wrap, aluminum foil, air fresheners, grains, cereals, canned goods, snacks, dairy products, fresh produce, diapers, tea, soda, drinks, desserts, lunch items, soups and stews, sauces, jams and jellies, peanut butter, rice, school and office supplies, trash bags...anything that is consumed regularly, available in volume at a better price, and can be brought to the home base offers potential for customers to save a little and the company to make a little.

There is not money in the company account to buy a fraction of a weeks worth of groceries for 200 families. To make a project such as this work, the goods will need to be ordered and paid for ahead of time. The lead time need only be a few days. This allows orders to be totaled, a shopping list to be assembled, and planning the logistics of pickup, receiving, processing and picking up orders. Ordering and payment can be done easily with a website, it's done all the time.

Project: Tool, Equipment, and Media Library

The tool library is a project of accumulation. We won't be running out for a \$20,0000 spending spree. We can get some tools through scavenging. Some will be in great shape, ready to use, some may need a little repair. We'll come across hand tools, power tools, lawn and garden, car tools, a hodge podge of stuff. There will be projects for which the co-op will need specific tools. If someone donated a table saw that was sitting in their shed for years, it just saved the co-op a big chunk of change and we've got something people can use on site in a workshop or borrow for a few days. For those tools we don't have, that's when we shoot the lock off the wallet. When we get a rainy day at the farm, someone can spend a little time in the workshop giving those tools a little extra care to make them last. We'll get our money's worth out of them.

It's not only nail guns and cordless drills that we can borrow. We'll come across a wide array of items. Slow cookers, blenders, small appliances, kitchen wares, baking dishes. Being able to borrow a big stock pot for a family reunion puts your grandmother's meatballs on the picnic table for everyone. A spare picnic table to borrow would see some use, as would a few tables and chairs. A canopy would be cool, as would a gas grill or smoker. I expect we'll have a large selection of kitchen wares available. For around the house, a carpet and upholstery cleaner would see much travel. Books are an easy one, all we need are some shelves. Movies would be greatly appreciated. A new movie will cost \$20, borrowing a movie costs \$0. Flush the cable TV bill. Video games are out there. A spare window air conditioner saves the day while waiting for the central unit to be repaired. If the refrigerator craps out, you can lose a lot of groceries. It's only going to crap out when you are not ready for it. A spare fridge becomes a godsend. When it's time to pick up that new fridge, we've got a trailer you can borrow to haul it, and if need be, a truck to pull the trailer.

Co-Op shareholders, sharecroppers, and Land Company investors can borrow what they need, bring it back when done. At the start our little tool library will be kinda small. Over time, we can build an impressive selection. If we had a Subscription Program we could gather more tools sooner and put the project on a paying basis. Offering subscriptions to the general public for \$50/year is the direction to take. Put together enough tools and enough subscriptions, this project will take on a life of its own.

I am unable to find a disadvantage to this project. It's good for the group, it's good for the community, it's good for the environment. **We are going to gather the tools, equipment, books and movies just by doing what we do.** We can start this project for a song, build it as we go and when it's ready we can go public. Everyone in town can save money.

Project: Work and Service Crews

We've got the people. We've got the tools. How about we put the people to work with those tools? Mowing lawns, raking leaves, and yard cleanup comes to mind right off. People pay for lawn and yard services all the time. Some of the people in the co-op may already be paying for lawn services. We'll match that price if you send us your business. Put together a work crew, load up the trailer with the needed equipment and tools, head out to the job. We would charge for time and materials. We show up, mow your yard, rake the leaves, and haul off the clippings and yard debris. Customer is happy with good work, the people get some time in, and the farm gets all the yummy leaves and grass for the compost.

What makes this project interesting is there is not a whole lot of specific investment required. Tools and equipment will come along through normal operations. We'll need rakes, wheelbarrels and shovels, probably a mower to serve the needs of the farm and property. We'll need a truck to haul things around for the farm and buyers group. A trailer will probably be an early acquisition in order to pick up equipment, building materials and furnishings. All we're doing is making use of those things we already have.

We've got the tool library in place. The general public can borrow our tools with an annual subscription. If someone wants to pour some concrete for a back patio, we've got everything they need. If they need help to do the job, we've got several people working on the farm right now who can break off to get the job done. We become a labor pool. It's up to the patio guy to take care of permits. Patio guy can pay our labor rates, which would include a minimum charge, or he can offer cash to the help, but that's none of my business. Perhaps Patio Guy likes the work done, has more work to do, and arranges with the worker to come back on his own time. Sometimes we find an opportunity. Sometimes opportunity finds us.

How Much Money Can We Make?

A frequently asked question is How Much Can We Make? It's a question which deserves a thorough answer. There are a great many variables involved in each project and each product. I think we can beat minimum wage pretty easily and probably do a whole lot better than that. Coming up with an exact figure is a challenge. What I can do is come up with some estimates of what specific projects and products can do. You can decide for yourself if these numbers are in the ballpark.

Sugar: $200 \text{ families} \times 5 \text{ pounds per month} \times 12 \text{ months} \times 5\text{¢/pound net} = \$600/\text{year}$

This does not account for the savings from the Buyers Group buying in bulk. This is only the profit realized by the company.

Coffee: $200 \text{ families} \times 1 \text{ can/month} \times 12 \text{ months} \times 25\text{¢/can net} = \$600/\text{year}$

Canned and Packaged Goods:

$200 \text{ families} \times 20 \text{ canned items/week} \times 52 \text{ weeks} \times .05/\text{item} = \$10,400/\text{year}$

While this includes cans, this is a catch all for items we can purchase in bulk. Cream of mushroom soup, dry macaroni, whole kernel corn, green beans, sloppy joe sauce, tomato paste, ravioli, sweet pickle relish and apple sauce are but a few examples. Some of these would eventually be made ourselves with products grown on the farm. The effect would be to greatly increase the net per unit, and probably by an order of magnitude.

These three listings represent the potential of the Buyers Group. We haven't actually made anything, just bought a lot, split it up. The numbers are kinda small because there is not a huge amount of room to work with. Let's take a look at goods we can make, starting with a bakery operation.

Bread: 200 families x 2 loaves/week x 52 weeks x \$1/loaf = \$20,800/year

This blew the doors off the above listings all by itself. Bread is a simple product to make, and with the right equipment, we can make it efficiently and inexpensively.

Bagels: 200 families x 1 dozen/week x 52 weeks x \$3/dozen = \$31,200/year

That's even more than the bread. \$3 for a dozen bagels is pretty low. We can use the same figures for similar products. Muffins, cookies, rolls, doughnuts, or honey buns offer variety and help account for the fact that not everyone eats a dozen bagels each week.

Pies: 200 families x 1 pie/month x 12 months x \$5/pie = \$12,000/year

I know a place in Albany, NY that bakes a few hundred pies every day. If 200 families, 200 pies per month seems high, consider the potential sales to the general public and sales to restaurants. Looking at the bakery as a stand alone enterprise, these figures suggest it would be possible to keep the place going with only sales to co-op members. Having a place that pays the bills makes more projects possible, some of which cost little or nothing to start. This next set of items is dairy, requiring refrigeration.

Butter: 200 families x 2 pounds/week x 52 weeks x 10¢/pound net = \$2080/year

Milk: 200 families x 2 gallons/week x 52 weeks x 30¢ net = \$6240/year

Cheese: 200 families x 2 pounds per week x 52 weeks x \$1/pound = \$20,800/year

The markup on gourmet cheese is in the neighborhood of 50%. This is about 5 slices of cheese per family per day.

Ice Cream: 200 families x 1 box every other month x 50¢ net = \$600/year

How big is this box? Did we make it ourselves or buy it? I'm putting this in as an example of what a single frozen product can offer. There are lots of frozen products we can offer.

Meat: 200 families x 10 pounds/week x 52 weeks x \$1/pound net = \$104,000/year

That net of \$1/pound is conservative, with a 30% markup being closer to reality. Even so, it's an impressive result. If this is all we earned on a pound of steaks, the general public would be lined up when the doors open in the morning.

Cold Cuts: 200 families x 2 pounds/week x 52 weeks x \$1/pound net = \$20,800/year

This is equal to the cheese and enough for about a dozen sandwiches. As with the meats, this is a conservative figure. Instead of buying the cold cuts in bulk, we could bake our own. In such a case, that net climbs substantially.

Up to this point I've not gotten into goods which we prepare for hot service or prepare to order. So far it's a bakery, simple kitchen and a store.

Meatballs: 200 families x 2 pounds/month x 12 months x \$1/pound net = \$4800/year

Take Out: 200 families x once per week x 52 weeks x \$5 net = \$52,000/year

Take out pizza, take out meatloaf dinner from a supper house, take out baked chicken, take out lasagna for a family. This listing is not specific as to exactly what item is purchased, and only accounts for a net of \$5 per sale.

Sandwiches: 200 people x 1 sub/week x 52 weeks x \$2/sub = \$20,800/year

This works out to around 30 subs or sandwiches per day, including lunch and dinner.

A deli operation easily becomes a sandwich shop. A couple more pieces of equipment brings on the

supper house. The list up to this point is only looking at the kitchen and store. Let's look at the farm.

Eggs: 200 families x 1 dozen/week x 52 weeks x \$3/dozen net = \$31,200/year

This would pay the mortgage on a piece of land. \$3/dozen is a low price for organic, free range eggs.

Vegetables: 200 families x 15 pounds/week x 52 weeks x \$2/pound net = \$312,000/year

The area required to grow this volume in my USDA Zone 8b: less than 5 acres. Labor required: the equivalent of around 10-12 full time workers.

TOTAL OF THE ITEMS IN THIS LIST: \$650,920/year

The farm accounts for over half. Using our farm products as ingredients for items in the list serves to increase this figure. The farm is limited to the space available, as well as the season in some areas. The kitchen and store have no season, and are not limited by the amount of land available. Sales to the general public can boost the kitchen and store to levels far exceeding what I have shown here.

Lets do the math based on the proposed Distribution of Income.

80-90% of net paid to the sharecroppers

5-15% being reinvested into expansion, development and capital improvements

5-10% going to the shareholders of the co-op.

Sharecroppers, 80%, \$520,736

With 200 sharecroppers, the average payout on this amount would be \$2,603.68, about 50 bucks/week, or 200 bucks a month. It's enough to make a difference to a lot of folks.

Reinvest, 10%, \$65,000

I went with the middle of the proposal. Around here, this amount would buy a property with several acres, including a home and systems. Compare to the price of equipping a commercial kitchen.

Shareholders, 5%, \$32,546

200 shareholders with an equal payout = \$162.73 each. The investment of \$500 just realized a return of 32.5%. I'd say the shareholders can receive a handsome return on their investment, even using low end figures.

If 200 shareholders serve as 200 sharecroppers, and made no reinvestment, the average payout based on the figures above would be \$3254.60. I would consider this to be a minimally acceptable performance. These figures do not account for sales to the general public. It does no account for commercial products. There is no estimate for classes, fairs, or events. It does not include an estimate for savings from the buyers group. It does not offer a value for borrowing items from the tool library. There is no gauge for work crews, cottage industry, a repurpose shop, or workshops. This is only the lower limit of our earnings potential. I'm not able to offer an estimate of an upper limit, but if we increased this performance just a few times, we'll have offered a replacement in some cases for full time employment.

There is no metric for the experience gained by our young people or the scholarships offered to the community. That's where the real value of the enterprise is found. Sure, you can make a few bucks by getting involved. We've got some youths who can take what they've learned here with them when they move out into the world. The head start we offer them is incalculable.

Further Information

This prospectus is a short summary of the Cooperative Enterprise Plan. There is more documentation on my website, and still more being added as I sift through several years of notes and ideas. You'll find more details on the subjects discussed here, as well as subjects that did not survive being condensed into this brief.

Feel free to contact me with questions, suggestions, or to sit down for a cup of coffee to discuss developing these ideas into reality.

Thank you for your time and interest.

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