



CENTRAL PLAINS ORGANIC FARMERS ASSOCIATION

COOPERATIVE ORGANIC GRAIN MARKETING

Background

Central Plains Organic Farmers Association (CPOF) is a bargaining/marketing cooperative for organic grain and livestock producers located primarily in Kansas and bordering states. CPOF originally organized under the name Kansas Organic Producers (KOP). KOP changed its name to Central Plains Organic Farmers in 2018 to more accurately reflect the region where its members reside and their organic grains are produced and sourced. KOP was first organized in 1974 as an education association for organic farmers to develop organic agriculture, formulate organic standards, and establish organic markets. By the late 1980's several organic certification organizations were established, utilizing broadly accepted certification standards, and were in business certifying organic farms and businesses. KOP members were involved with these efforts. With a growing number of KOP certified farms and a collective inventory of organic grain, in 1992 Kansas Organic Producers reorganized as a marketing cooperative to help build organic grain markets and to represent its members in negotiating grain sales and coordinating deliveries. The implementation of USDA's National Organic Program (NOP) in 2002 institutionalized nation-wide organic standards and certification procedures, and stimulated further growth in organic food production and marketing.

Cooperative Organizational and Operating Structures

As a bargaining/marketing cooperative, CPOF generally does not take ownership or possession of members' grain. Members' grain is stored primarily on the farm, and members retain ownership until the time of shipping. CPOF's role as a bargaining cooperative is to represent its members and provide coordination in a broad range of sales and market development activities. CPOF's marketers work with members to maintain current inventory data, test for grain quality, establish production and pricing targets, etc. CPOF's marketers are also in frequent contact with organic grain buyers and processors to learn their needs and to develop sales. CPOF acts as the bargaining agent for its members in negotiating the full range of issues involved in contracting sales. Once a sales contract is negotiated, CPOF coordinates the delivery, quality control, document transfers, and payment settlements associated with the sale. Buyers pay CPOF, and once the sale is completed, CPOF settles payments with individual producers. As a cooperative, CPOF is governed by a board of directors, elected by the membership. One of the unique features of the CPOF cooperative, in contrast with other grain traders, is the financial transparency between the marketing organization and member farmers in the marketing of members' grain.

Operating Region and Crops

With members in Kansas and bordering states, the geographic production region for Central Plains Organic Farmers includes part of the corn belt, the central plains hard red winter wheat producing area, and the high plains dry land wheat and irrigated food & feed grain region. The major crops CPOF members produce and market include corn, wheat, soybeans, grain sorghum, oats, barley, sunflowers, millet and alfalfa and clover hay. Many members also raise beef cattle, and some are raising hogs and poultry. On occasion, members raise specialty crops as well. CPOF can forward contract the major crops on behalf of members, given acceptable terms. CPOF soybean production includes both food and feed beans. CPOF can arrange the cleaning for food bean contracts. CPOF works routinely with several trucking firms and rail companies to arrange the most appropriate and efficient shipping. CPOF's customers are in all regions of the United States, some of which export CPOF products to Canada, Asia and Europe.

Market Development Activities

CPOF's marketing development activities include working with food and feed processing businesses, state agriculture and economic development agencies, various farm organizations and others involved in food and commodity businesses to learn more about trends, needs, resources and opportunities that can increase the demand, production and marketing of organic grains and food products. CPOF seeks collaborative relationships

with other food companies to develop mutually beneficial projects that utilize the complementary strengths of each party. As CPOF learns about specific qualities, varieties and other factors that potential customers need, CPOF determines if the specific varieties are suitable for the region and works with members in conducting production trials. The geographic distribution of CPOF's membership is an asset in providing a diverse growing area with many local areas suitable for a wide range of crops, with differing varieties and a wide range of crop qualities. In addition to working on developing larger markets for organic grains, CPOF is working to develop regional meat, dairy and egg markets to utilize the local, high quality feed grains and forages that CPOF members produce.

Strengths and Alliances

Some of CPOF's strengths are its ability to organize and coordinate producer member activities, match grain quality with buyers' specific needs, manage quality control, and efficiently coordinate the delivery of grain. CPOF maintains frequent contact with other producer organizations so that if product isn't available through CPOF, it can help buyers find the product elsewhere. CPOF can help buyers streamline their procurement of grain by providing a single contact that has access to many producers in an organized network over a large geographic area. And as new producers move into organic production to help meet the growing demand for organic products, CPOF provides its new members with educational and planning assistance, along with connections to staff and other experts on specific areas of organic production. This can save time, reduce stress and increase the level of success in adopting organic production and marketing practices.

Cooperation Among Cooperatives

One key cooperative principle is cooperation among cooperatives. The idea is that cooperatives serve members most effectively, and better serve the broader community, when actively cooperating and collaborating with other co-ops. One of CPOF's main collaborations is its membership and participation with OFARM (Organic Farmers for Relationship Marketing). OFARM is organized as a cooperative Marketing Agency in Common, whose members are organic grain marketing cooperatives and farmer groups.

The Key Role of Cooperatives in a Sustainable Agriculture

Cooperatives have a long history in agriculture and serve as an essential organizational tool for farmers to establish economic power in shaping markets, negotiating equitable sales and resisting exploitation in an economy dominated by large, transnational corporations. As organic agriculture and the organic food economy have grown rapidly over the last two decades, large corporations have seen the opportunities and entered the market. In some ways organic has become "big business". Just as large corporations dominate farmers and local economies in conventional agriculture, the threat exists for the same to occur in the organic and sustainable food and farming sectors. Strong, well organized and managed farmer controlled cooperatives will play an increasingly important role in giving farmers the organizational strength to preserve current achievements and make future advances in shaping an organic and sustainable agriculture that serves the needs of farmers, consumers, rural communities and the environment. As a cooperative, CPOF sees its future role as vital in serving its members, supporting the ongoing development of organic farms, and participating in meeting the needs and challenges to build a socially just, ecologically sound, diversified and sustainable agriculture.

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