

## Final Report:

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## Project Review:

This project was conducted following the findings from the resilience research and snapshot completed in fall 2022. The initial research identified the need to further assess the opportunities for the creation of a farmer cooperative and understand the challenges and missteps that occurred from the initial cooperative that was formed in 2008. To fully assess the challenges and current needs of the cooperative business, individual interviews were conducted to understand the business model, process, and challenges; additionally, individuals were asked about the opportunities for the future and the benefits a cooperative model could provide.

## Context

A farm cooperative was started in the Virgin Islands in the mid 2000's and received financial support from grants and loans. The first several years were dedicated to planning and research on successful cooperative practices as well as trainings for farmers and business partners. A board was created, and membership rose along with successful programming for approximately 3 years. The cooperative acquired property and equipment and worked collectively on planting, procuring, and selling products. Interviews projected that there was also variable buy-in from farmers for the cooperative ranging from \$0 - \$5,000, of which dividends from the cooperative were based on.

Based on the qualitative research, it was evident that there was misunderstanding of the business model and the anticipated projections and timeliness of seeing a return on investment. Mistrust and concern about management negligence began, which increased tensions between members and over time the cooperative closed.

The cooperative started with a robust business plan and included market analysis, a financial plan, and a strategy for growth. However, the cooperative did not have a proper staffing model to manage all aspects of the plan. They hired two cooperative members to lead the efforts. This led to diminished capacity in the execution of cooperative vision, and general misunderstanding of the role of the new hires had related to the cooperative vs. their own farm production. This conflated member roles and created a power dynamic that is against the very nature of the cooperative model.

Once the distrust and concerns on mismanagement of the cooperative began to take hold from members, additional business finance issues arose and led to the eventual closure and re-allocating of equipment and land due to default on a loan.

Overall, three themes were identified for future involvement and potential creation of a cooperative in the future.

**First it was identified that there is need for healing and repair.** The cooperative may have played a role in exacerbating already strained community relations and a historic lack of investment. Restoring trust among farmers, government partners, and the community in general is key to fostering cooperative work. Strategies could include facilitated community dialogues, restorative justice practices, or conflict resolution workshops.

**Second, there is a need for training, education, and mentorship.** This reflects the need for capacity building across farm and food business partners, through comprehensive training programs that cover essential skills for cooperative management, financial literacy, and other relevant areas for farm and food businesses. Implementing mentorship programs where experienced individuals guide newer members, could help foster a culture of learning and knowledge sharing. Specialized training on sustainable agriculture, food safety standards, product development, and supply chain management as well as market access and customer management would be beneficial. These trainings could be conducted in collaboration with local educational institutions and government agencies to also rebuild relationships in those areas.

**Third, having clear and transparent business decisions.** It was evident that transparency is critical within decision-making for member trust and engagement. Implementing policies that ensure open communication about business decisions is essential and could occur through regular meetings, detailed reports, and participatory decision-making model where members have a say in major decisions. Additional ideas are to use digital tools for information sharing, such as a member portal or newsletter, to keep everyone informed and involved. Within this is also having legal understanding and agreements in place. Having legal expertise available throughout the fruition and implementation of the cooperative is necessary to ensure clear, fair agreements that cover all aspects of the cooperative's operations, member responsibilities, and partnerships. Having a board member with legal background can also ensure that there are regular reviews and updates to bylaws and agreements that reflect changes in the cooperative or legal environment. It is suggested that once agreements and policies are complete, that there are workshops or informational sessions to ensure all members understand their rights and obligations under these agreements.

While there is still a desire to farm and sell collaboratively to meet markets, there are clear barriers facing the farmers in the territory. The following report details the identified impacts from the closed Cooperative, the challenges identified, and the opportunities ahead.

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## Community Impacts

- Financial Mismanagement: There was financial mismanagement and unforeseen challenges that led to insolvency for the cooperative. This debt deterred future investment and eroded trust among members and external stakeholders.
  - Fracturing Relationships within the Farm Community: The cooperative's failure significantly contributed to reinforcing distrust and created divisions within the farming community, leading to a lack of cohesion and collaboration. Multiple examples exist as reasons that fractured relationships occurred:
    - Farmers ousting other members of the cooperative due to unclear understanding of dues, communication practices, and purpose of board and membership votes.
    - Hiring of farm members as full-time staff instead of advertising and filling the positions and leaving members in a neutral position
  - Deepened mistrust Between Farmers, the Department of Agriculture, and Leadership: The breakdown in trust also spurred to other agencies such as the Department of Agriculture due to communication gaps, unmet expectations, and perceived neglect by authorities and leaders. An example of mistrust with Government leadership was shared:
    - Local government agencies seemed to not have proper regulatory and compliance models in place.
  - Inability to Re-establish a Cooperative Despite the Desire for Collaboration: While there have been additional efforts to re-establish a cooperative from the University of the Virgin Islands and the Virgin Islands Department of Agriculture, none, despite funding for training, have been able to get off the ground. This challenge points to a need for a fresh approach to cooperative development, learning from past mistakes.
  - Loss of Equipment and Infrastructure Purchased by the Cooperative: Through the closure of the cooperative, there was also loss of equipment and land dedicated to the business that had to be returned to the investors due to debt incurred. This was a significant setback in resources and capital investment for farmers. The Virgin Islands Economic Development Authority and the Virgin Islands Department of Agriculture reclaimed large equipment purchased under the cooperative. This reclamation of equipment was not adequately communicated with the full membership and resulted in multiple iterations of the true story behind the re-allocation of equipment and led to more distrust between farmers and the Government.
  - Government Lack of Investment in Large-Scale Agriculture Endeavors Spearheaded by Locals: It is perceived that since the closure of the cooperative, local leadership has taken a position of general disinvestment and lack of confidence in the local farm and food community. While this disinvestment and lack of confidence cannot solely be attributed to the cooperative, there is a clear disconnect between local agricultural initiatives and government support systems.
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## Challenges

- Not Adapting to Market Changes: Through interviews it was echoed that there was a high level of inefficiency and product waste. This included lack of evidence for which products to grow and markets to sell too. There was failure to adapt to market changes and customer needs, which led to the cooperative's products becoming irrelevant, impacting its competitiveness and sustainability.
  - Lack of Experience with Cooperatives: While there were trainings provided on cooperative business structures, the model was still not fully understood by all members. The future of starting another type of collaborative business structure will have challenges due to the ineffectiveness of the first established cooperative. It is evident that proper long-term support/mentorship from experts and practitioners must be present to undergird members and ensure that access to information and best practices were available.
  - Neglecting Member Education and Training: Board Members must have clear understanding of the business structure and financial projections. It is necessary for continuous education and training for members so they are equipped with skilled management and efficient practices.
  - Poor Financial Management: Mismanagement of finances, including inadequate budgeting, poor tracking of expenses, and lack of financial transparency, can quickly lead to financial difficulties.
  - Ineffective Governance Structures: Failure to establish clear and democratic governance structures can result in power imbalances, lack of member engagement, and ineffective decision-making processes.
  - Lack of Clear Vision and Mission: From the interviews, it seems the focus of the collaborative was quite broad and generally not understood in the same way across all members. This lack of direction can lead to confusion and misalignment among members regarding the cooperative's goals and objectives.
  - Inadequate Business Capacity & Implementation Strategy: While the cooperative began with a robust business plan, financial statement, and growth strategy, it quickly learned that there was not staffing capacity for all of the day-to-day needs. New hiring of members led to diminished capacity in the execution of cooperative vision and created confusion on roles and hierarchical structure.
  - Perception of Inequitable Resource Distribution: Virgin Islands is in a unique climate and context where resources are scarce, leading to intense competition for labor, farm resources, and finances. This can lead to inequitable distribution of resources as well as power imbalances, breeding mistrust among community members.
  - Communication Barriers: Ineffective communication or lack of transparent information sharing can lead to misunderstandings and suspicion. Clear and open communication is critical for building trust in cooperative ventures.
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## Strategies for Moving Forward:

Addressing these issues requires a multi-faceted approach, involving honest reflection, community engagement, strategic planning, and advocacy. It's about rebuilding not just the physical aspects of the cooperative but also the trust, relationships, and systems that support a thriving agricultural community.

- Facilitate community healing and reconciliation processes to mend fractured relationships.
    - Repair relationships through open dialogue, conflict resolution efforts, and initiatives to rebuild trust.
    - Understand each party's concerns and perspectives to address underlying issues and promote unity.
  - Increase Peer Networking Relationships
    - Host regular meetings, feedback mechanisms, and inclusive decision-making.
    - Provide platforms for open discussion about previous issues and collaboratively develop a new framework.
    - Provide external facilitation by neutral parties or experts in cooperative development to provide guidance and mediate the process.
    - Support the development of farmer-facilitated working groups on small initiatives that increase opportunities to experience success together.
    - Establish new communication channels and partnerships between farmers, the Department of Agriculture, and community leaders.
  - Foster a Culture of Innovation:
    - Encourage creativity and innovation. Highlight the existing farmers working collectively on aggregation, shared markets, and equipment use.
    - Highlighting cooperative principles that are already serving local agriculture groups to include Food Hubs, shared equipment, farmer-to-farmer support, and other aligned activities.
    - Suggested Groups are We Grow Food, Little La Grange Food Hub, and Sejah Farm Market. Each of these groups has demonstrated at least 5 years of experience in a version of cooperative work. Research could inform the creating a local tool kit that can support producer success in the area of cooperatives.
  - Explore innovative and resilient cooperative models with strong financial and risk management strategies.
  - Advocate for government policies and investments that support local agricultural initiatives.
    - Government recognition and investment in local agriculture.
    - Develop comprehensive proposals that highlight the potential economic, social, and environmental benefits of supporting local agriculture can be persuasive.
  - Diversify Leadership and Expertise
    - Invest in training a strong cross-section of food system leaders that can support the development of cooperatives.
    - Increase knowledge of varied governance models - Collective Impact Model, Shared work, etc to support building trust transparency, accountability, and leadership.
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## Appendix A

### Interview Protocols & Questions

#### **Pre-Interview Setup:**

##### Interviewer Preparation:

- Familiarize yourself thoroughly with the background of the cooperative and the interviewee's role within it.
- Review the interview questions and have a clear understanding of the information you want to gather.

##### Scheduling:

- Arrange interviews at a time and place convenient for the interviewee.
- Ensure privacy and minimal distractions during the interview.

##### Consent and Ethics:

- Obtain written or verbal consent from interviewees for their participation and use of the information they provide.
- Assure confidentiality and explain how the information will be used.

##### Technical Setup:

- Test recording equipment (if used) to ensure clear audio quality.
- Have backup recording devices or note-taking materials ready.

#### **Interview Protocol:**

##### Introduction:

- Start with a friendly greeting and introduce yourself and any other interviewers.
- Clearly explain the purpose of the interview and what it will entail.

##### Building Rapport:

- Begin with lighter, open-ended questions to make the interviewee comfortable.
- Show genuine interest and empathy in their responses.

##### Conducting the Interview:

- Follow the prepared list of questions, but be flexible to explore interesting or important topics that arise.
- Maintain a balance between guiding the interview and allowing the interviewee to express their thoughts freely.
- Use active listening skills – nodding, maintaining eye contact, and responding appropriately.

##### Handling Sensitive Topics:

- Approach sensitive subjects with respect and tact.
- If the interviewee appears uncomfortable, offer them the option to skip the question.

##### Clarification and Follow-up:

- Ask follow-up questions for clarification or elaboration on key points.
  - Summarize their responses occasionally to ensure accurate understanding.
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#### Concluding the Interview:

- End with a question that allows the interviewee to add anything else they wish to share.
- Thank the interviewee for their time and valuable insights.
- Explain the next steps (e.g., how and when they might expect to hear back from you).

#### Post-Interview:

- Document the interview with notes or transcriptions as soon as possible while the details are fresh.
- Review the notes and recordings to extract key themes, insights, and quotes.

#### **Additional Considerations:**

- **Cultural Sensitivity:** Be aware of and respectful towards cultural differences, especially if interviewing in a diverse community.
- **Accessibility:** Ensure that the interview location is accessible to all interviewees, and accommodate any special needs they may have.
- **Feedback:** Offer interviewees the chance to provide feedback on the interview process.

#### Interview Questions

- **Background and Involvement:**
    - Can you briefly describe your role and involvement in the cooperative?
    - What motivated you to join this cooperative initiative?
  - **Experience in the Cooperative:**
    - How would you describe your overall experience with the cooperative?
    - What were some of the biggest challenges you faced while participating in the cooperative?
    - Can you share a particularly memorable or impactful moment during your time with the cooperative?
  - **Community Impact:**
    - In what ways do you feel the cooperative has impacted the local community?
    - How has the cooperative been received by the community at large?
  - **Lessons Learned:**
    - What are the most important lessons you've learned from being part of this cooperative?
    - Were there any unexpected outcomes or surprises during the cooperative's operation?
  - **Management and Operations:**
    - How would you evaluate the management and governance structures of the cooperative?
    - In your opinion, what were the strengths and weaknesses in the way the cooperative was run?
  - **Personal Growth and Development:**
    - How has your involvement in the cooperative influenced your personal and professional development?
    - What skills or knowledge have you gained through your participation?
  - **Future Directions:**
    - What do you think should be the next steps for the cooperative?
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- Are there any specific areas or strategies you believe the cooperative should focus on for future development?
  - Recommendations and Advice:
    - What advice would you give to someone considering starting or joining a cooperative?
    - Based on your experience, what changes or improvements would you recommend for future cooperative initiatives?
  - Sustainability and Long-term Vision:
    - How do you envision the long-term sustainability of the cooperative?
    - What are your hopes for the cooperative's impact in the future?
  - Reflections on the Cooperative Model:
    - How do you think the cooperative model benefits or challenges the community compared to other business models?
    - Would you participate in a cooperative again? Why or why not?
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