



Co-Founders: Eric R. Schwartz & Adam Goodliss

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Farm Bug Cooperative is an organization founded by Eric R. Schwartz and Adam Goodliss to address the need for local Massachusetts farmers to have the infrastructure and operational support to enter the legal cannabis industry in Massachusetts. To date, the cannabis industry in the Commonwealth of Massachusetts has been very restrictive in allowing local farmers and small business owners an opportunity to enter into the marketplace without having to first raise millions of dollars in capital. We believe that this situation creates an unfortunate circumstance where cultivators, those that actually grow and maintain the cannabis plant, are, largely, left out of the cannabis business or offered wages that are not consistent with their efforts and expertise. There would be no cannabis plant without cultivators. There would be no extracts or topicals or medicinal treatments if cultivators were not producing cannabis. We believe that local Massachusetts farmers deserve a more diversified cannabis industry that offers wider opportunities to cultivators. The cooperative model will empower farmers to enter the marketplace through a strong brand while also providing economic opportunity to local communities (as our cultivator cooperative will depend on partnerships with local ancillary businesses such as soil producers, packaging companies, etc.).

The cooperative model for Farm Bug Co-op would be a cultivator cooperative where individual, co-located farms would come together under one business entity. Each farmer would be a voting member of the cooperative and would, thus, have the ability to determine how the profits of the business were invested. In this way, every farmer within the cooperative would have a shared investment in the business. Our cooperative would also be made up of a non-voting board of diverse investors from areas such as traditional farming cooperatives, consumer products specialists, and cannabis industry experts that would take on an advisory role. This board of investors would not have the ability to vote to determine how the cooperative's profits were spent, but they would provide consultation and would receive a percentage of the cooperative's profits according to the nature of their investment. This would be drawn up in a contract that the board member would agree to before providing the investment. In this way, the workers of the cooperative would shape the future of the organization, not the investors. This would create a culture that is innovative and adaptive while also being in tune with the needs of the farmer.

The strength of the business model of a cultivator cooperative is the infrastructure that the collective organization would provide to farmers. Through the cooperative organization,

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farmers would have access to services like marketing, distribution, bulk purchasing discounts with partnered vendors, legal consultation, and legislative support. Farmers should have the ability to concentrate on what they do best, which is farming. The infrastructure of the cooperative would allow farmers to spend the bulk of their time on cultivation while the business services would be carried out by those members specializing in these areas. It is very important to note that the marketing side of this cooperative would work with cooperative members to co-brand their product so that each farm had its own brand. This would give transparency to the cannabis cultivation process and pass this transparency down to the patient and consumer. Each farm brand would provide a brief description of the farmer, the farm, and the cultivation technique that is being carried out on that farm to create a truly craft product that is also grown completely organically. The co-op would also develop partnerships with other cooperatives and business entities to build a suite of services to support the farmer, such as processing, testing, and packaging.

In order to create this cultivator cooperative, Eric Schwartz and Adam Goodliss are proposing the following standards:

- A co-op structure where multiple cultivators (individual farms) can work under one cooperative entity.
- An ability for each cooperative entity to hold the cultivator license under an LLC or LLP for the entire group of farmers that are members of that cooperative.
- No limit to the number of farms per cultivator cooperative.
- Security measures that are suited to protecting each individual farm, which will depend on that farm's location and the nature of the farmland.

These standards would allow Farm Bug Co-op to begin recruiting members to form a legal entity. The members of the cooperative would agree to guidelines that were specific to the cooperative. Among these would be organic cultivation and fair labor practices, which would be written into the bylaws of the cooperative and in compliance with state regulations. Farm Bug Co-op will encourage experimentation and knowledge sharing among its farmers to develop clean and organic cultivation practices. This situation will also lead to more diversity of cannabis strains within the marketplace, which will benefit both patients and consumers alike.

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