BioFi Project



Blue Ridge Foodshed Commons

Building a Commons-Held Food Economy

SOUTHERN BLUE RIDGE, WESTERN NORTH CAROLINA **WEBSITE**

The Southern Blue Ridge ecoregion of Western North Carolina (WNC) is home to more than 5,000 family farms and a renowned farm-to-table culture. Those farms largely rely on infrastructure businesses they have no say in: the creamery, the mill, the meat processor. Too often, these are run for the benefit of whoever owns and controls them, not for the farms and communities depending on them.

Blue Ridge Foodshed Commons is designing a living network of businesses and farmland held by and for the community they serve, with the mission and the land protected permanently. Its organizing unit is the foodshed, the region whose farms feed its people. The initiative frames its territory ecologically but defines it by WNC's counties, so it is place-based rather than strictly bioregional. Its relevance to bioregional finance lies in its ownership design, which separates

who controls shared infrastructure from who profits from it and keeps surplus circulating in the region.

Challenge

In 2024 the median U.S. farm household earned negative $1,830 from farming, and most farm families rely on off-farm jobs. The average North Carolina farmer is 58 and nearly 38% are 65 or older. The state ranks second nationally for projected farmland loss, with 1.2 million acres expected to disappear by 2040. Despite WNC's food culture, only 4% of the food purchased in the region is grown locally. Dairy shows the trend most starkly: Buncombe County had 200 dairy farms in the 1920s and has two today, and WNC is down to roughly 35 commercial dairies.

Farmers are asked to do more and more to stay in business, from on-farm tours to value-added products to their own processing, and to carry the risk alone. Retiring farmers often have no option but to sell to a developer, while young farmers struggle to access land.

The Commons locates the root cause in ownership. When profit and control over a shared resource such as a creamery or grain mill sit in the same hands, the pressure to extract is built into the structure: not because anyone is bad, but because that is what the system rewards. A privately owned creamery's shareholders profit whether its supplying farms thrive or not.

Model

The Commons separates control, profit and capital across distinct entities.

Commons-held businesses. Shared infrastructure (a creamery, grain mill, meat processor, food hub, local food retailer and value-added processor) and support services (such as distribution, insurance, administration and peer certification) are each set up as a public benefit LLC (PBLLC), a limited liability company with a public-benefit purpose written into its structure, and held in trust rather than privately owned.

Blue Ridge Foodshed Commons Trust. A Perpetual Purpose Trust (PPT) is a legal structure that exists to protect a purpose indefinitely rather than to serve named beneficiaries. The trust holds a “golden share” in each business: a narrow class of voting interest with no claim on profits and no role in running the business. Its only power is to block decisions that would breach the mission. It does not run the businesses. Its only job is to keep the mission intact, protecting the businesses from being sold to outside investors or converted to private gain. Individual businesses may come and go as the foodshed's needs change; the mission does not. The Trust can also hold farmland, protected from commercial or speculative development.

Capital Flows Entity. A separate public benefit entity holds the economic interest in the businesses, receives their surplus and issues patient-capital loans and investments within the foodshed.

Blue Ridge Foodshed PBLLC. The Core Stewards' entity designs the legal, governance and financial architecture and runs the Foodshed Cultivator.

New businesses enter through the **Foodshed Cultivator**, a six-month venture studio in which the farmers and stakeholders most affected by a business shape its design from the ground up while deepening trust with one another. It provides a regenerative framework, operational support, financial modeling and capital connections as a pure service, taking no fees, no equity and no ownership or governance stake. The Cultivator functions as a Bioregional Venture Studio, and the Trust plays the asset-holding role of a Bioregional Trust.

Ongoing governance runs through **Stakeholder Councils**. Those closest to a business make the decisions without carrying the capital risk or governance burden of owning the infrastructure, and farms stay independent. At the creamery, supplying dairy farmers will agree as a Council on milk pricing formulas and quality standards, then contract with the creamery as a group.

Finance

The financial architecture is designed but not yet capitalized. The Commons is raising $1.3 million to develop the creamery, covering the building, equipment and working capital. It is seeking a blended concessionary package: below-market-rate loans, capped-return investments structured as debt (with returns limited to an agreed ceiling) and some grants. Capital comes with no ownership or governance stake, so funding can support a business without steering it.

The Capital Flows Entity lends or invests patient capital in the Commons-held businesses; their profits flow back to it rather than to outside shareholders; and it recycles that surplus as evergreen investment to seed what the region needs next. A planned Insurance PBLLC would add a risk-pooling layer, including self-insurance for the Commons and crop, health and liability coverage. Farmland follows a separate route: the trust holds land and leases it long-term to farmers on values-aligned terms.

Outcomes

The Commons is at the design and incubation stage; no capital deployment or operating results have been reported. Its first Cultivator cohort is developing a creamery in Rutherford County, serving the foothills of southeastern WNC, with five dairy farmers designing the business and a likely milk shed within a 90-minute radius. Likely products are fluid milk, butter, cheese and other dairy.

Lessons

First, mission protection can be engineered by splitting control from profit rather than relying on owners' intentions. The Trust holds a narrow veto, the Capital Flows Entity holds the economics,

and investors hold neither. For an allocator, diligence shifts from equity upside to the durability of that legal separation.

Second, farmers can gain bargaining power over infrastructure without owning it. Supplying farmers set pricing and quality standards collectively through a Council, while capital risk stays off farm balance sheets.

Third, the model starts with one anchor business and a bounded supplier group. Five dairy farms within a 90-minute milk shed make the governance design testable before the pattern is replicated across the foodshed.

The creamery is the proof point. The Commons plans to apply the same pattern to grain mills, meat processors, food hubs, local food retailers and value-added processors in the WNC region, alongside support businesses such as insurance, administration and marketing/storytelling. It also intends to hold farmland in trust, giving retiring farmers a succession option beyond selling to a developer and young farmers long-term leases that can pass to their children. Separately, it is exploring regenerative organic transition pathways for dairy farms, pairing purchase commitments with the capital farmers need to make the shift. Everything beyond the creamery cohort is planned rather than operational. The near-term test is whether the $1.3 million creamery raise closes on concessionary terms, and whether Council governance holds once it is running.

