



# Organically Grown Company

## *From nonprofit to cooperative to ESOP to steward-ownership*

### In a nutshell

Founded in 1978 by a collective of Oregon farmers, Organically Grown Company (OGC) has evolved over 45 years from a small nonprofit into one of the largest organic produce distributors in the US. Throughout its history, OGC has shifted through multiple ownership forms, always adapting its structure to better serve its mission of advancing sustainable agriculture, supporting farmers, and nourishing communities.

In the mid-2010s, OGC faced a structural challenge: how to sustain succession while reinvesting in the business and upholding its mission. The company needed an ownership model that could balance financial obligations with purpose-driven priorities for the long-term. In 2018, OGC became one of the first U.S. companies to transition to a Perpetual Purpose Trust (PPT), embedding steward-ownership principles that permanently safeguard its independence and mission with governance shared across multiple stakeholders.



**FOUNDED: 1978**



**PORTLAND, OREGON, U.S.**



**SALES: >\$100 MILLION  
(2024)**



**280 EMPLOYEES  
(2025)**

**STEWARD-OWNED SINCE: 2018**

**STEWARD-OWNERSHIP MODEL:  
Perpetual Purpose Trust (PPT)**

### OGC's ownership journey

Organically Grown Company (OGC), founded in 1978, has continuously reshaped its ownership and governance to align with its mission of supporting sustainable agriculture and community well-being. What began as a nonprofit to assist farmers in adopting organic practices, OGC transitioned into a grower-owned cooperative in 1982 to better market and distribute produce.

Although this cooperative structure enabled shared ownership among growers and helped formalize operations, it also revealed certain limitations. Restrictions on membership, equity, and board participation gradually constrained OGC's growth and its ability to fully recognize the contributions of all stakeholders, prompting the company to explore a more flexible ownership model.

In 1999, OGC transitioned to an S Corporation, allocating shares to farmers based on their involvement and inviting all employees into co-ownership. This new structure enabled the company to expand its product line, scale operations, open new distribution facilities, and even host a major summit on organic produce and sustainability in 2005. Over the next decade, OGC grew significantly, but the S Corporation model – legally capped at 100 co-owners – soon posed limits. With its workforce continuing to expand, and committed to broad stakeholder participation, OGC began seeking a model that could include all employees in governance.

In 2009, OGC established an Employee Stock Ownership Plan (ESOP), achieving full representation of staff in the company's ownership structure – a core principle since the company's founding. The ESOP allowed employees to have a direct stake in the company's success, fostering engagement, shared responsibility, and alignment with OGC's mission of supporting sustainable agriculture and community well-being. While the ESOP strengthened internal equity and ensured broader participation in governance, it also introduced another challenge: stock ownership under U.S. law ties valuation to market norms, which can conflict with mission-driven priorities.

Building on its commitment to purpose-driven business, OGC became a certified B Corporation in 2010 and registered as an Oregon Benefit Corporation in 2011, formally embedding social and environmental responsibility into its corporate identity and governance framework. While the B Corp status reinforced the company's mission commitment, it did not address deeper ownership and succession challenges – issues that would become increasingly urgent as the company continued to grow and mature.



## The succession challenge

By the mid-2010s, OGC faced a critical juncture. Many of the long-time farmer-owners were approaching retirement, and the company needed a sustainable way to fund share repurchases while continuing to invest in operations and uphold its mission.

OGC recognized that without a fundamental change, the company could be forced to prioritize short-term financial obligations over long-term purpose.

“We were trying to be stewards of the business. But a stock ownership plan ties you to a fair market valuation and it's comparing you to similar companies in your industry who may not run them for mission maximization as we do. If we got to a certain level, our hands would be forced by law. We wanted to keep OGC to its mission for the long haul and not be bought and end up in the wrong hands because employees or anyone else wanted to sell,” explained Nathalie Reitman-White, VP of Organizational Vitality and Trade Advocacy at Organically Grown Company (OGC).

## Pioneering steward-ownership: setting up the perpetual purpose trust

In 2018, OGC took a groundbreaking step by transitioning into a Perpetual Purpose Trust (PPT), becoming one of the first U.S. companies to adopt this model. By buying back all shares from the company's previous owners and employee stock plan and transferring them to the Sustainable Food and Agriculture Perpetual Purpose Trust, which is set up as an Oregon Benefit Company and holds the majority of the voting rights, OGC set up a structure that allows it to remain purpose-driven while protecting the company from sale or takeover.



True to OGC’s longstanding commitment to shared stewardship and stakeholder engagement, the transition process itself was highly participatory, reflecting the company’s values and respect for the voices of employees, growers, and mission-aligned partners. Employees and growers voted to approve the sale of their shares to the Trust, while some former board members helped design the transition and acted as early advisors and supporters. Shareholders were also offered the opportunity to convert common stock into preferred stock and participate in governance roles.

OGC’s steward-ownership model is anchored in the Sustainable Food & Agriculture Perpetual Purpose Trust (PPT), which acts as a permanent legal guardian for the company, protecting its independence and mission over the long term. Governance is shared across three bodies, creating a system of checks and balances:

**Corporate trustee**

Responsible for the administration of the Trust and formalities of owning the common stock, the Corporate Trustee casts votes as a shareholder and oversees tax reporting, and distributions for the Trust. The original Trustee is appointed in the Trust Agreement, with the Trust Protector Committee able to remove or replace them in the future.

**Trust protector committee**

Serving as the steward of OGC’s mission, this committee ensures that business decisions align with the company’s purpose. It is made up of employees, growers, customers, investors, and community representatives, including leaders such as Joe Rogoff and George Siemon. The Committee approves distributions and elects the operational Board of Directors but cannot unilaterally change the Trust’s purpose.

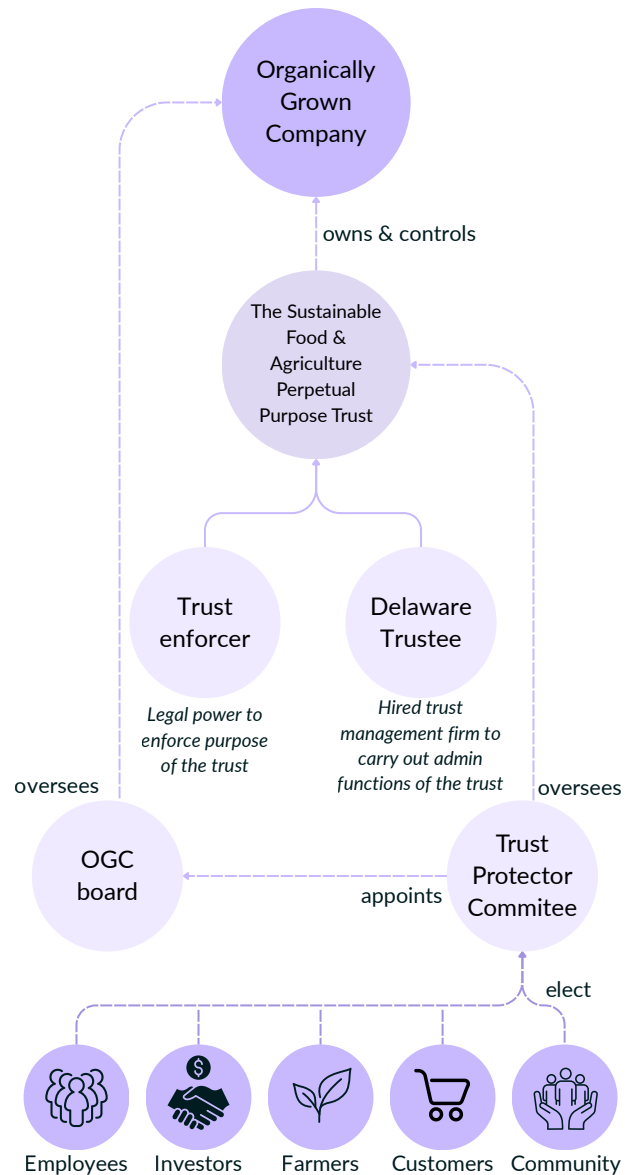
**Trust enforcer**

Acting as the ultimate watchdog, the Enforcer ensures that the Trust, the Corporate Trustee, and the Trust Protector Committee all operate according to the Trust Agreement. They can review financing, address stakeholder grievances, and take legal action if the Trust’s

purposes are compromised.

This governance structure maintains shared stewardship, secures long-term resilience, and integrates investors through non-voting preferred shares whose returns are aligned with OGC’s mission rather than controlling the company.

**OGC’s governance structure**



Today, OGC is a leading U.S. example of steward-ownership, showing how a mature, mission-driven company can redesign ownership and governance to protect its purpose and enable sustainable growth. Through the Perpetual Purpose Trust, investors, employees, farmers, and community members share oversight and benefit without compromising the mission.

Read more about OGC's financing structure in the 'SOAF in Practice' chapter on [p. 128](#).

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Through Perpetual Purpose Trust ownership, OGC remains independent and purpose-focused, now and into the future.

– Brenna Davis, CEO

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Photo: OGC