


WHAT ARE FOOD CO-OPS?

Alaska Food Festival and Conference
November 7th, 2014

Alaska Cooperative Development Center



A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

-International Cooperative Alliance

Co-operatives are businesses owned and controlled by those who use its services.

Co-op Principles

1. Open membership
2. Democratic Control
3. Member Economic Participation
4. Autonomous
5. Education/training
6. Cooperation
7. Community

Rochedale Cooperative Society

1844



Hanover Consumer Cooperative Society 1936



Hanover's first store on Main Street in Hanover, NH in 1936.



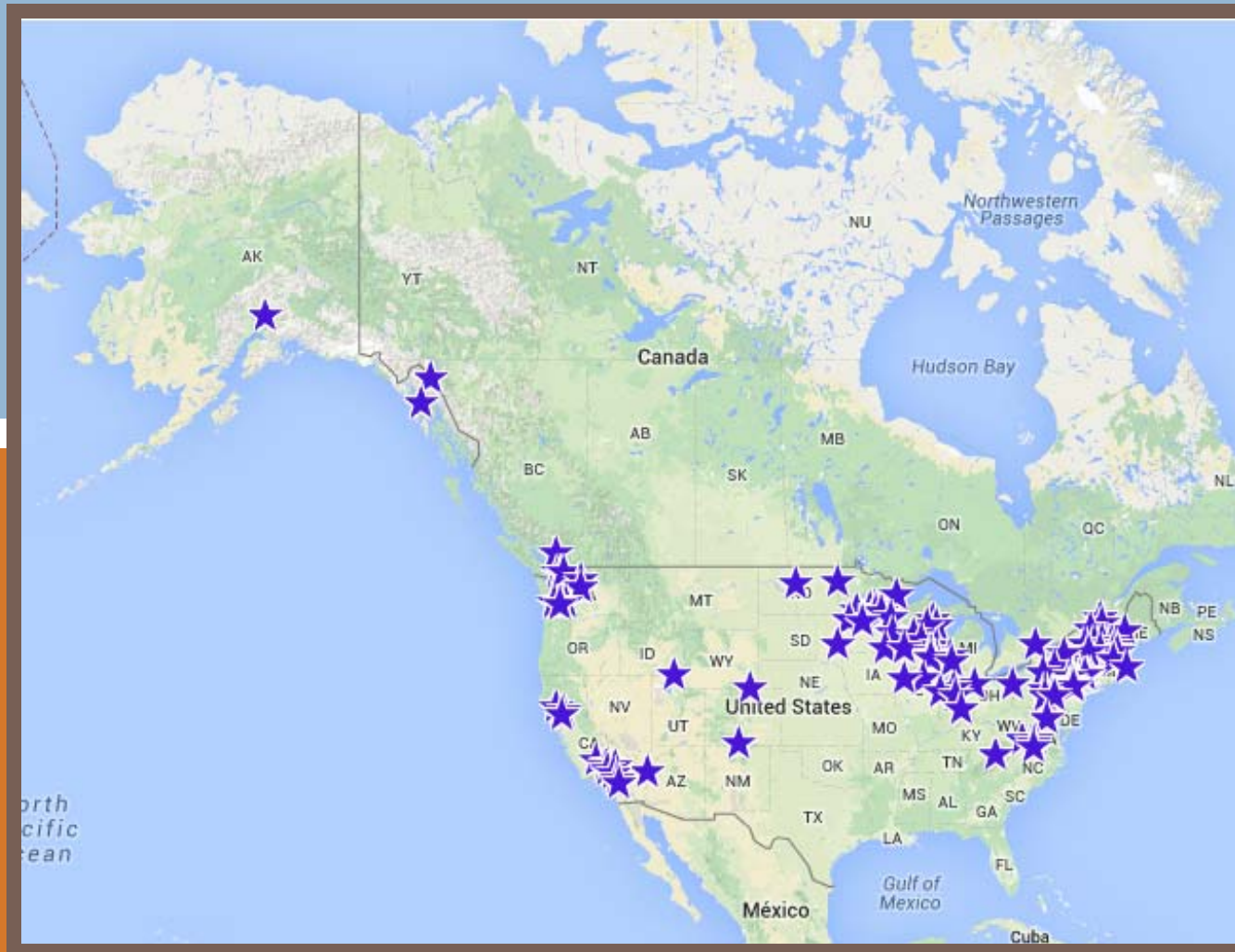
“Second Wave”
Health Food Co-ops
1960s – 1970s



[Oryana Co-op, Travers City, MI](#)

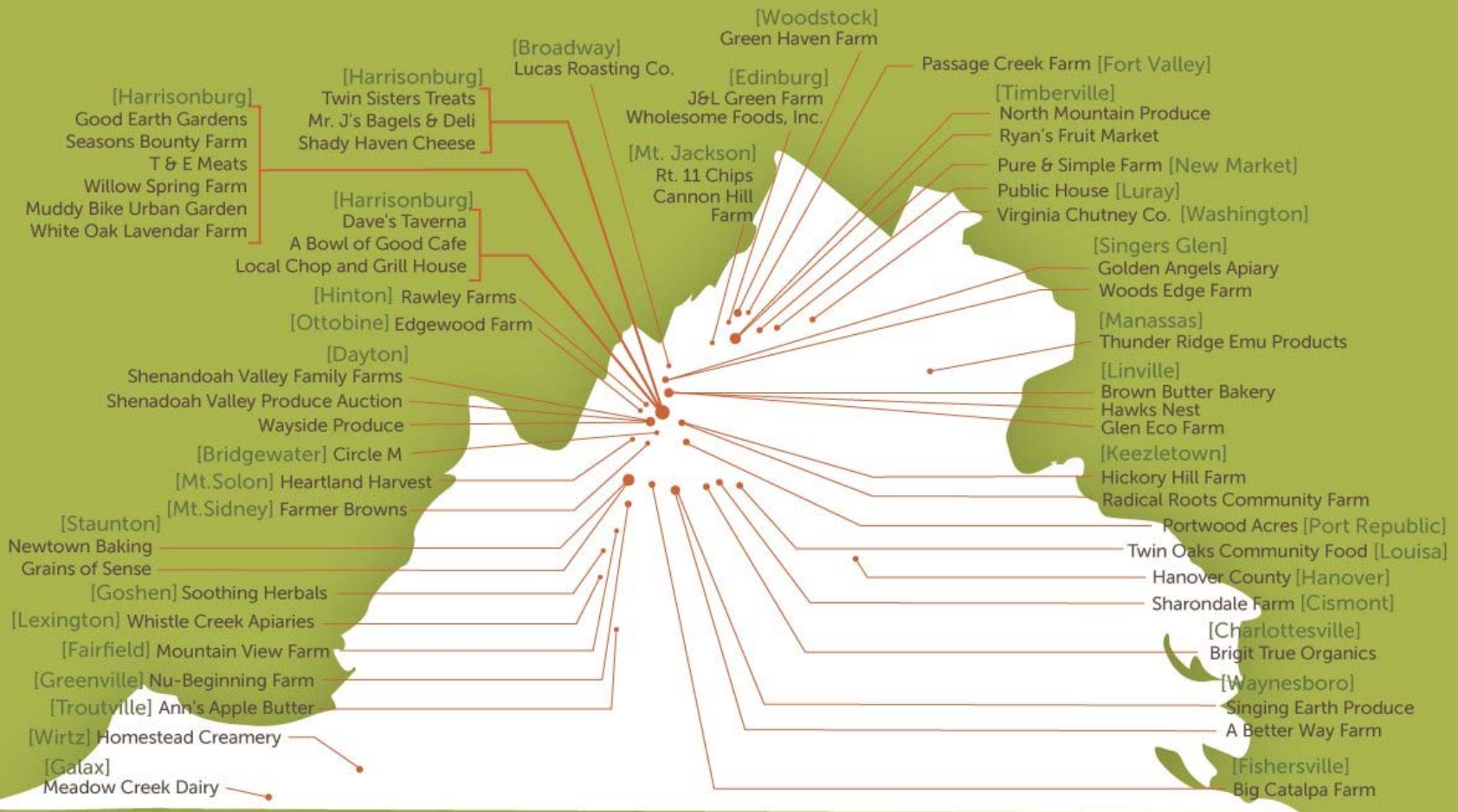
www.oryana.coop

New Food Cooperatives in the United States



<http://www.foodcoopinitiative.coop/content/co-op-directories>





FRIENDLY CITY'S LOCAL VENDORS







Erín Johnson & Ben Doherty
Northfield, MN

"We are a diverse seven-acre vegetable farm, committed to feeding our community the freshest, most nutritious produce possible. We aim to grow food in the most ecologically and economically sustainable way possible."

OPEN HANDS FARM

LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL	LOCAL
Red Cabbage	Cabbage	Spiced Cabbage	Spaghetti Squash	Kale	Endive	Radicchio	Kale	Fennel	Kale	Broccoli	Kale	Greens	Cabbage	Bok Choy	Celery		
Peppers	Peppers	Kale	Radicchio	Radish	Turnips	Fennel	Chard	Butterbean	Chard	Beets	Bok Choy	Beets	Carrots	Kohlrabi	Horseradish	Turnips	

LIVING WATERS

Owned and operated by Steve and Miriam Klingbeil, Living Waters Gardens produces beautiful, hydroponically grown local produce nearly year-round. Since 1989 they have been specializing in high-quality input, pesticide free tomatoes, peppers, and cucumbers, and currently supply many twin cities restaurants and natural food co-ops. Steve makes multiple deliveries of his produce each week, so at any time of year, the only fresher tomato for you to eat is the one you grow in your own backyard.

Featuring vine-on, perfectly ripened red and yellow tomatoes, and cartons of sweet red and orange cherry tomatoes, year round Living Waters grows "The most excellent tasting tomato you could ever hope for."





GARDENS of EAGAN

Gardens of Eagan is one of the most well-known and respected names in organic farming in the upper Midwest today. Founded by Martin and Alina Diffley, the farm has been a pioneer in the local organic food movement since it was first certified organic in 1975. Their produce is so good, people have been asking for it by name for decades.

The Wedge Community Co-op took over management of the farm in early 2008 when the Diffleys wanted to retire, strengthening a bond that was already solid from years of mutual support and good business relations. Today the farm is in full production under the supervision of farmer Linda Halley, providing customers with the same high-quality produce we have come to expect over the years. Enjoy their delicious sweet corn, watermelon, and kale during the growing season.



HOCH ORCHARDS

Owned and operated by Harry and Jackie Hoch and family since 1907, Hoch Orchards has become a household name when fall's apple season rolls around. The orchard produces over 50 varieties of apples ranging from old favorites like McIntosh and Firestone, to the new, popular University of Minnesota cultivars like Honeycrisp and Zestar.

Harry Hoch is a pioneer of Integrated Pest Management (IPM), a system of monitoring pest populations to reduce the amount of chemicals needed to control pest and fungus issues that plague Minnesota apples. Cleaned and packed on their family farm, these apples are never treated with ripening agents, wax, or any post-harvest pesticides.

Their orchard is soon to be certified organic.

TWIST-EASE

Supporting other cooperatives



Hill & Vale

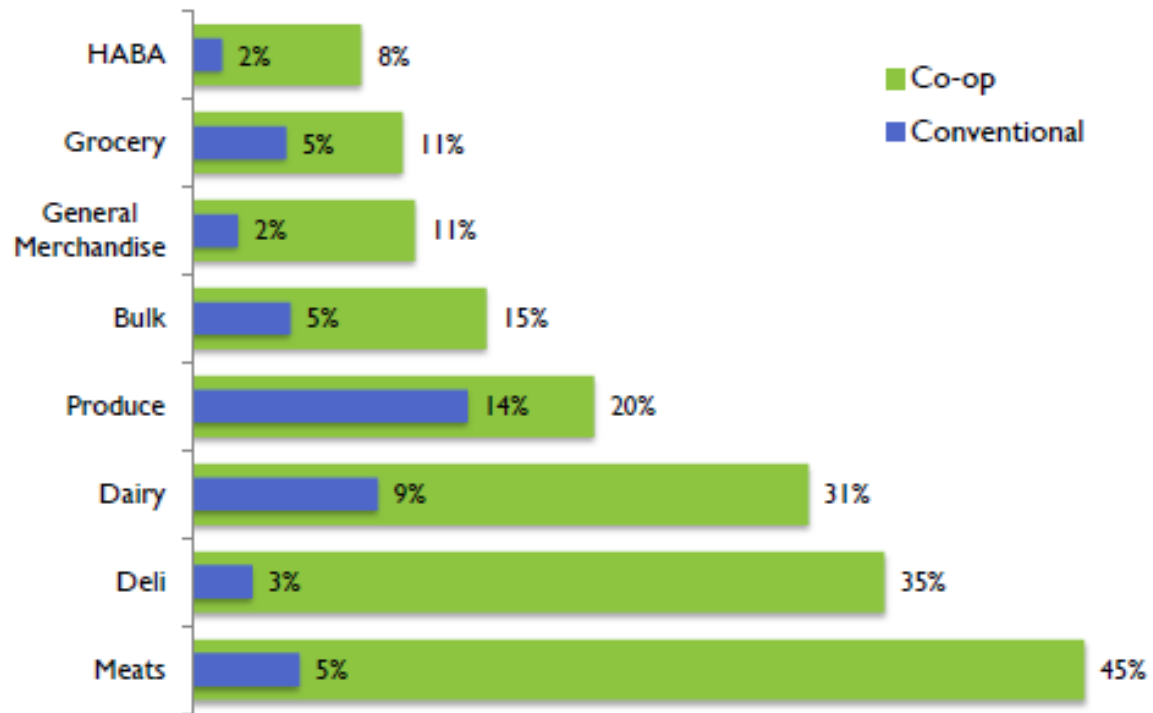
Wykoff, MN

Bonnie and Joe Austin of Hill & Vale Farm value the cooperative relationships among small family farms in the region. Their pastured-raised beef is brought in whole and processed at Seward Co-op.





Local Purchasing Co-op vs. Conventional



<http://strongertogether.coop/food-coops/food-co-op-impact-study/>

Economic Multiplier

For every \$1,000 a shopper spends at their local food co-op, \$1,604 dollars in economic activity is generated in their local economy – \$239 more than if they had spent that same \$1,000 at a conventional grocer in the same community.



Helping members save money on food –
the store serves its member/owners.





SUSTAINABLE GROWER
Tomato King
Albany, MN
Yellow Heirloom
Tomato
\$3.99
Per pound

...like a fresh berry,
rinse before eating
MOSA
Certified organic

Re Roma
Tomatoes
...like a fresh berry,
rinse before eating
MOSA

Yellow
Roma
Tomatoes
...like a fresh berry,
rinse before eating
MOSA

Co-ops in Alaska



Research on the Economic Impact of Cooperatives



Economic Sector	Alaska					
	# of Coops	Wages (millions \$)	Assets (millions \$)	Revenues (millions \$)	Members (thousands)	Employment (thousands)
Arts & Crafts/Entertainment	10	0.00	1.25	0.00	0.21	0.01
Biofuels	0	0.00	0.00	0.00	0.00	0.00
Corporate Finance	0	0.00	0.00	0.00	0.00	0.00
Credit Unions	12	95.20	4,732.23	282.53	498.51	1.80
Daycare	6	0.00	0.00	0.20	0.00	0.00
Education	0	0.00	0.00	0.00	0.00	0.00
Electric	17	52.02	1,450.54	678.56	196.52	1.17
Farm Credit	0	0.00	0.00	0.00	0.00	0.00
Farm Supply/Marketing	6	1.17	14.40	10.42	3.18	0.04
Grocery & Consumer Goods/Retail	0	0.00	0.00	0.00	0.00	0.00
Healthcare	0	0.00	0.00	0.00	0.00	0.00
Housing	2	n/a	n/a	n/a	n/a	n/a
Media	0	0.00	0.00	0.00	0.00	0.00
Mutual Insurance	1	5.29	0.51	1.36	0.00	0.00
Telephone	7	12.59	318.05	113.62	47.35	0.59
Transportation	2	0.13	0.16	0.24	0.30	0.00
Water/Waste	5	0.24	23.15	13.27	0.29	0.00
Total	68	166.65	6,540.36	1,100.20	746.36	3.61
Total Reporting		38	45	48	41	44
Percent Reporting*		57.58%	68.18%	72.73%	62.12%	66.67%

Data Source: UWCC 2009 Report: Research on the Economic Impact of Cooperatives. <http://reic.uwcc.wisc.edu>





Welcome to Co-op Market
Building our community-owned
grocery store together

Cook & Schuhmann & Groseclose, Inc.
Attorneys at Law
714 Fourth Avenue, Suite 200 • Fairbanks, Alaska 99701-0810

Newsletters

Home

Blog

FAQ

Membership

Directors

Community Partners

Coming Soon

Co-op Market is a grocery store established by member-owners to serve the Fairbanks area. The store will be located in part of the Foodland Building on Gaffney Road. [Find out more.](#)

- [Join Now](#)
- [Member Loan](#)

[Home](#) >

Building our own member owned grocery store together

Who we are and what is membership

Co-op Market is a grocery store established by member-owners to serve the Fairbanks area by providing organic and whole foods, local foods, bulk quantities for price savings, and other healthy products for an Alaskan lifestyle. The store will start out with 6000 square feet at the East end of the Foodland Building at 546 Gaffney Road.

Co-op Market is about good, healthy food. How it looks, how it tastes, who grew it, how it was grown, and where it came from.

Local Food First

Co-op Market is committed to buying quality local products FIRST, purchasing from outside of Alaska when a quality local option is not available. We are committed to working with local producers to provide:

- Alaska Grown produce (in season)
- Local Meat
- Alaska Seafood
- Alaskan Dairy Products
- Locally made Bread & Baked Goods

Join Us!



[E-News Archive](#)

Join Our Mailing List

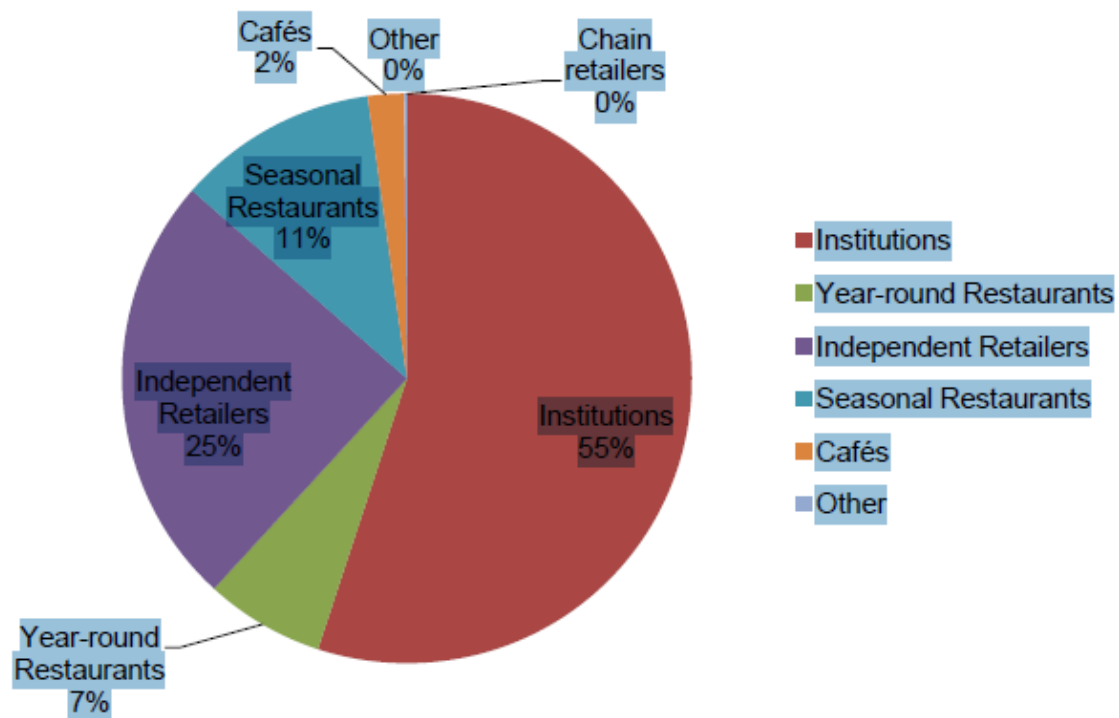
Email:

Go

Community Partners

We offer this advertising opportunity to businesses who would like to assist Co-op Market in a mutually beneficial manner. Call 457-1023 to find out how you can participate.

Figure 2: Average Expenditures for Local Produce



News item

First Alaskan Co-op Wins Startup of the Year

June 19, 2014



Other Opportunities for cooperatives in AK's local food system



Increasing Markets



Increasing Production →



Coopérative d'Utilisation de Matériel Agricole

Resources

- ❑ CDS Consulting <http://www.cdsconsulting.coop/>
- ❑ Food Co-op Initiative <http://www.foodcoopinitiative.coop/>
- ❑ University of Wisconsin Center for Cooperatives
<http://www.uwcc.wisc.edu/default.aspx>
- ❑ National Cooperative Business Association
<http://www.ncba.coop/>
- ❑ USDA <http://www.rurdev.usda.gov/rbs/pub/cooprpts.htm>
- ❑ US Federation of Worker Co-ops <http://usworker.coop/front>
- ❑ Cooperative Grocer <http://www.cooperativegrocer.coop/>
- ❑ Northwest Coop Development Center
<http://www.nwcdc.coop/>

Alaska Cooperative Development Center



Andrew Crow

Tel: 907-786-5447

email: anacc@uaa.alaska.edu

<http://ced.uaa.alaska.edu/acdp/index.html>



/alaskacoops



Story of a start up!

Building a Natural Foods Co-op Together



The Dream

2006

A group of people decide to build a food co-op in Fairbanks.

Leadership

Visionaries

Belief in the process



What Is Needed

1. Demonstrated Feasibility
2. Adequate capitalization from diverse sources
3. Strong Community Support
4. High demand for products and/or services
5. Industry support



What next?

2007

Establish an interim board

Incorporate

Start a membership program

Choose a name

Organize

Fairbanks Food Co-op

Fairbanks Community Cooperative Market (FCCM)

Co-op Market

Co-op Market Grocery & Deli



Choose a Mission

Fairbanks Community Cooperative Market works for health and sustainability by providing natural foods and products, promoting local suppliers, and offering consumer education in an open community center environment.



Demonstrate Feasibility

2008

A feasibility study was conducted by G2G and a location was found in downtown Fairbanks

We got a big bill!

So we had a big party and we opened a bank account.





Community Outreach

2009 – The summer that changed everything

Logo

Swag

Harvest Fair and First Annual Meeting

Membership Investment of \$200 voted in by membership

There was no turning back.



Events 2008-2012

5 Fundraising parties

4 Fair booths (10 days each)

4 Annual meeting events

2 Spring Plant Sales at Store Site

Numerous weekend trade shows

5 Breakfast fundraisers

One swanky local food dinner.

2 Open houses during construction





Celebration





Volunteers





Time to Plan the Business

2010

Find Office Space

Get support – Vista Volunteers

Contract Professionals (CDS Consulting Coop)

Financial Proforma

Business Plan

Secure a lease



Communicating the Vision

2011 – FUDZ newsletter series
Library Presentations
Presence at fairs and trade shows
Local Food First
Loving the Co-op Difference



Raise Capital

Owner equity

- Member Shares: **\$200,000**

Patient capital

- Member Loans: **\$300,000**

Manageable debt

- P&I: 3.2% of sales, year 1
- 3.3% in year 4

Emergency reserves

- **\$160,000** working capital at start-up



Secure a Site



Educating Ourselves

CCMA 2011 – 3 attended

Provendar Alliance - 2011

CCMA 2012 – 3 attended

Up & Coming Up & Running - 2012



Select a General Manager

- Write a job description
- Select a process
- Launch a nationwide search
- Find homegrown talent



Preconstruction



Secure lease

Assemble a design team

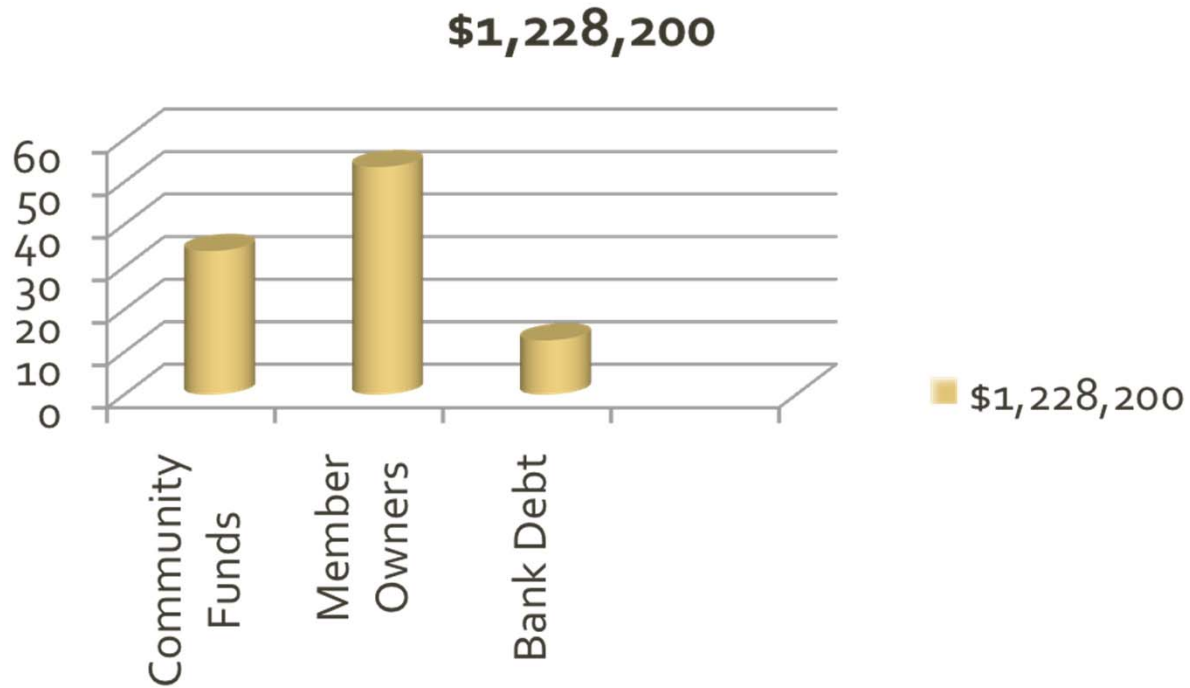
Select a Contractor

Ensure adequate capitalization

Start Construction Process

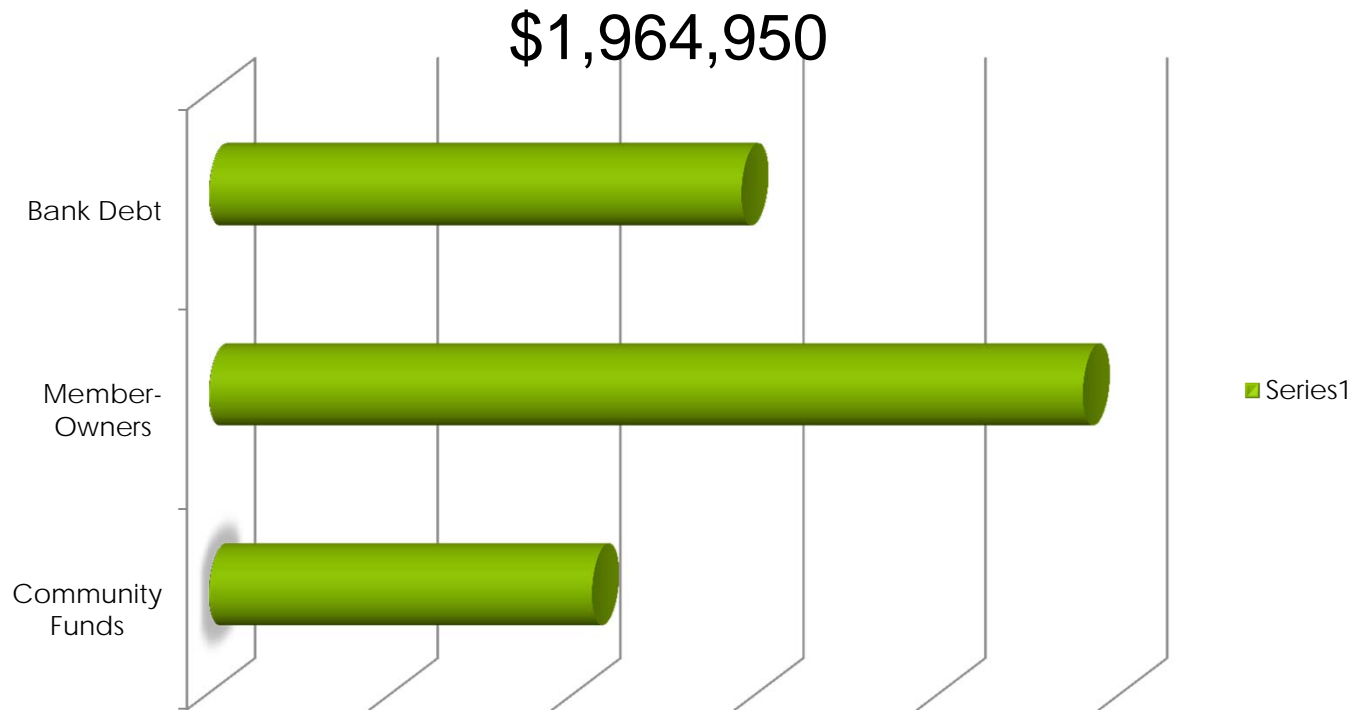


Project Cost – Estimate 2011





Project Cost – Actual 2013



Sitka Food Co-Op

(an alternative food model)

*Bringing Good Food & Community
Together!*



In the Beginning



Kim Deery

*“Nothing in this world is
so powerful as an idea
whose time has come.”*

Victor Hugo

Developing the Vision





g the Organization



□ **ARTICLE 3: Purposes**

□ **The purposes for which the Cooperative is formed are to:**

- **1. Create a community-based, member-owned buying service;**
- **2. Make available wholesome foods and products as inexpensively as possible;**
- **3. Support and encourage local growing of fresh organic foods;**
- **4. Purchase and purvey, whenever feasible, the goods or services of local and regional**
□ **growers and producers;**
- **5. Serve as a center for activities and services which otherwise enrich the life of the community, and**
- **6) Anything not inconsistent with the Alaska Corporations Act (AS 10.15).**



Bringing Good Food & Community Together”



Where are we now?



- 140 households (20% growth in membership)
- $\pm 1,200$ volunteer hours (550 general membership, 650 Board)
- Accounts with 5 Wholesale Distributors (added 2)
- 2014 Sales projection: $\pm \$200,000$ (60% growth in sales)
- Created 2 part-time jobs: (General Manager & Accountant)
- Created a 4-year “Strategic Plan” & timeline
- Developed relationships with local social service organizations
- Working with national organizations (planning for growth & future financing)

Where are we heading?



- **Near Term:**

- Continue developing local networks/relationships
- Increase memberships
- Create member-equity & loan programs
- Increase Capitalization (grants/loans)
- Increase staff
- Increase Board and staff training
- Upgrade inventory/sales software & systems
- Expand to twice/month deliveries
- Develop a “home-delivery” system
- Expand distribution and storage capacities



- **Long Term:**

- A “Brick & Mortar” store of our own!



What? have we learned?



- It takes just one person to get the ball rolling, but it needs a dedicated group of individuals to get that “ball” to the goal line.
- Seek help from everyone & everywhere. Don't reinvent the wheel!
- Develop a clear and communicable message and vision that resonates with your community.
- Reach out to different cultures within your community. Listen. Learn what they want/need.
- Be professional at all times. (meetings, minutes, reports, budgets, plans, etc.)
- Establish and set policies and guidelines early.
- Stay upbeat and every now and again... make the time to have fun!



I joined the Co-op...
because making the world a
better place has to start somewhere
♥

SITKA FOOD



CO-OP

Member Owned and Operated

Check Us Out!

sitkafoodcoop.org

NEW MEMBERS WELCOME!

