WHAT ARE FOOD CO-OPS?

Alaska Cooperative Development Center

Alaska Food Festival and Conference
November 7th, 2014
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
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 Martha and Elmo Duffer, 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 2006 when the Duffers wanted to retire, strengthening a bond that was already strong from years of mutual support and good business relations. Today the farm is in full production under the supervision of farmer Linda Holley, 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

Spurred and supported by Jerry and Judith Hoch and family since 1981, Hoch Orchard & Farmhouse is a 20-acre family-owned and operated farm. The orchards are comprised of 20 varieties of delicious apples, from the Early Harvest to the McIntosh, and include a wide variety of pears, plums, and cherries. The farm is known for its high-quality produce, and their orchard is soon to be certified organic.

Management: Jerry, Judith, and Peter Hoch

Payment Options: Cash, Check, and Credit Cards

Opening Hours: Mon-Sat 8:00am - 6:00pm, Sun 9:00am - 5:00pm

Seasons: Apr-Oct

Contact: (651) 681-6091

Website: hochorchards.com
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.
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.
Yellow Heirloom Tomato

$3.99

Per pound
## Co-ops in Alaska

### Research on the Economic Impact of Cooperatives

<table>
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<tr>
<th>Economic Sector</th>
<th># of Coops</th>
<th>Wages (millions $)</th>
<th>Assets (millions $)</th>
<th>Revenues (millions $)</th>
<th>Members (thousands)</th>
<th>Employment (thousands)</th>
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<td>57.58%</td>
<td>68.18%</td>
<td>72.73%</td>
<td>62.12%</td>
<td>66.67%</td>
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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. The store will be located in part of the Foodland Building on Gaffney Road. Find out more.

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
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

- University of Wisconsin Center for Cooperatives [http://www.uwcc.wisc.edu/default.aspx](http://www.uwcc.wisc.edu/default.aspx)
- US Federation of Worker Co-ops [http://usworker.coop/front](http://usworker.coop/front)
- Northwest Coop Development Center [http://www.nwcdc.coop/](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

Meetup /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.*
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
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&L: 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

$1,228,200

- Community Funds
- Member Owners
- Bank Debt

$1,228,200
Project Cost – Actual 2013

$1,964,950

- Bank Debt
- Member-Owners
- Community Funds

Series1
Sitka Food Co-Op
(an alternative food model)

Bringing Good Food & Community Together!
“Nothing in this world is so powerful as an idea whose time has come.”

Victor Hugo
Developing the Vision
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).
Where are we now?

- 140 households (20% growth in membership)
- ±1,200 volunteer hours (550 general membership, 650 Board)
- Accounts with 5 Wholesale Distributors (added 2)
- 2014 Sales projection: ± $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