



MACC INDUSTRY SECTOR UPDATE

November 2014

November Features the Food & Grocery Sector of our Membership

Healthy Foods and Healthy Communities

What's to love about food co-ops? So much! Co-ops have a cool way of doing things differently. They're people working together for better food, stronger communities and a healthier world. And cooperative grocers are making a big impact. A new study, *Healthy Foods Healthy Communities: The Social and Economic Impacts of Food Co-ops*,* quantifies the impact food co-ops have as compared to conventional grocery stores. The study's compelling results demonstrate the many ways that food co-ops do well while doing good.

Unlike their conventional counterparts, co-ops are owned and governed by member-shoppers and rooted in principles like community, voluntary and open membership, economic participation and cooperation. Because of these principles and practices, food co-ops inherently serve and benefit the communities where they are located. For example, the study finds that for every dollar spent at a food co-op, \$0.38 is reinvested in the local economy compared to \$0.24 at conventional grocer.

Supporting Local Food Systems and Sustainable Foods

Though "local" has popped up in conventional grocery stores in recent years, retail food co-ops are leaps and bounds ahead of the pack. Where conventional grocers work with an average of 65 local farmers and food producers, food co-ops work with an average of 157. Likewise, locally sourced products make up an average of 20 percent of co-op sales compared to 6 percent at conventional stores.

Years after creating the market for organic foods, co-ops are still the place to find them. Of produce sales at food co-ops, 82 percent are organic, compared to 12 percent for conventional grocers. And, organics make up 48 percent of grocery sales in food co-ops, compared to just 2 percent in conventional grocers.

Local Economic Impact

The economic impact that a grocery store has on its local economy is greater than just the sum of its local spending, because a portion of money spent locally recirculates. For example, food co-ops purchase from local farmers who, in turn, buy supplies from local sources, hire local technicians to repair equipment, and purchase goods and services from local retailers. To some extent, conventional grocers do too, but the gap is still significant. For every \$1,000 a shopper spends at their local food co-op, \$1,604 in economic activity is generated in their local economy—\$239 more than if they had spent that same \$1,000 at a conventional grocer. (*excerpts from <http://strongertogether.coop/food-coops/food-co-op-impact-study/>*)



Our Food and Grocery Co-op Members

People's Food Co-op of Kalamazoo (Kalamazoo, MI) exists to create access to food that is healthy for people, land, and the economy. This statement is known as our "Global Ends" and helps to direct every decision we make. As such, we are more than your average grocer!

Here are a few things that make the Co-op different:

- We strive to provide fresh, organic, and whole foods, offering our community healthy choices for a variety of dietary needs.
- We purchase locally grown and produced goods, helping to keep local funds cycling back into our economy.
- We participate in and support our local farmers markets, including the 100 Mile Market, the Kalamazoo Farmers Market (on Bank St.), and the Kalamazoo Foods Market.
- We help provide access to food assistance programs (SNAP benefits) both at the store and at several local farmers' markets. Everyone should be able to eat healthy, delicious, and local food.
- We provide educational opportunities for our community related to food and food systems (such as cooking classes, tabling, speaking engagements, hosting events at the store and in the community).
- We work together with other organizations. As we are able, we provide sponsorships and donations to organizations and events that support our global ends, making our community a better place.

Ypsilanti Food Cooperative (Ypsilanti, MI) strives to provide our community with high-quality food and consumer goods, which are produced using ecologically-sound methods, and which promote sustainability of our environment and respect for the health and well-being of the people that provide them.

The Ypsilanti Food Cooperative is committed to practicing cooperative economics and educating the community about the relationship between food and health. One of the few grocery stores in the city of Ypsilanti, the Co-op provides a full line of groceries, with an emphasis on organic, local and unprocessed food.

People's Food Co-op (Ann Arbor, MI) provides quality food at fair prices with a strong commitment to offering local products, many of which are sustainably or organically grown. One percent (1%) of profits go into education and outreach programs that reflect our community's commitment to sustainable living, and a donation program that supports a diverse selection of community groups.

One of PFC's original members shares her perspective of the Co-op:

"As a long time member, a student, an at home mom, and now a working mom, I've experienced the Co-op from almost every conceivable perspective. It has supported me and my family through transition after transition, and the children love the Co-op. The staff and other co-op members have been unfailingly polite and helpful. Local products sourced by the Co-op add to our feeling of community and interconnectedness. The qualities added to our lives far transcend the simple products and purchases. The values embodied by this organization, which has survived and thrived over the years in spite of many moves, upheavals and disputes, these values have carried forward the vision of cooperative business as a practical and logical alternative. The ideals the Co-op was founded on are now living, breathing examples for my children. Their world is richer and more diverse because of the Co-op. They see everyone pitching in to help. They understand the concepts embodied by the Co-op and they are proud to be even a little part of it."

Rod's Thoughts

Food and grocery cooperatives serve their member/owners' needs in a very unique way. My point is, that approximately 18% of children who live in this country don't know where their next meal is coming from and commonly go to bed hungry. This world is so hard to understand, for most all of us reading this article. We live in a more traditional America. However, we do realize it exists because it has been so well documented. As we enter this holiday season, what can we learn from food and grocery cooperatives who oftentimes interface with this underserved community?

In 2014, I have learned two very important lessons from our MACC food and grocery co-op members. The first, is that they serve a community that faces a different world. The world they serve are the first to feel the effects of an economic slow-down. The growth-oriented businesses where their parents or grandparents were employed have long sense "left town", if they ever did come to town in the first place. Tom Snyder, director of the Ohio Cooperative Development Center in Piketon, Ohio, told me they are trying to start a food co-op in a county that has no grocery store. They have gas stations that sell snacks, and pay-day-lenders, but no grocery store. The other world often served by food and grocery co-ops are college students who are trying to pay down their student loans, and are learning how to budget. **People's Food Co-op of Kalamazoo** has the best stews and soups as well as the inexpensive dinner-in-a-sack, and offers cheaper meal alternatives for students on a budget. The food co-op teaches its members a healthy alternative to fast food. They also listen to their ideas and stock unique foods that may not be offered in more traditional groceries. **Ypsilanti Food Co-op** and **People's Food Co-op of Ann Arbor** teach us important lessons on how they serve their member/owners' needs cooperatively and with enough profit to grow their businesses.

The second lesson I have learned from our MACC food co-op members, is the proper circle of communications our cooperatives have with their member/owners. Dr. Mike Cook, executive director of the Graduate Institute of Cooperative Leadership in Columbia, Missouri, reminded me that this cooperative circle of communications is the life blood for all cooperatives. Because cooperatives are owned by their customer/ members who shop or transact business, they are very different than their investor owned competitors. The cooperative circle of communications begins with the cooperative communicating information, products and services to their member/owners. They do this in a competitive market on a "product cost plus service cost basis." The price is generally established by the marketplace in which the cooperative has an important influence. Their member/owners communicate with each other about those services and products. It is important that this communication be in the members' environment and about issues that are of concern to them. Many new ideas and existing problems are discussed, and the member/owners communicate their ideas back to the cooperative.

When a cooperative offers a clear path and encourages members to communicate back and takes these inputs seriously, they have a healthy circle of communication. **At a time when many of our cooperative members are looking for ways to improve member engagement, we can learn so much from our food and grocery co-ops.**

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