

Co-ops Continue to Demonstrate Leadership in Sustainability Impacts

BY SHIELA ONGIE

Many would say that the best thing about food co-ops is the healthy, delicious food. Nevertheless, the management and staff of co-ops know firsthand that there are many other reasons that co-ops are good for people and their communities.

To better understand and articulate the social, environmental, and economic impact that co-ops have compared to conventional grocers, NCG commissioned its third food co-op impact study in 2017. The ICA Group, a not-for-profit consulting firm with expertise in cooperatives, economic development, and business research, conducted the study.

The results show that co-ops have much to be proud of and that they continue to compare favorably to conventional grocers in many areas. Here are highlights from the report.

Local sales

Although “local” is defined differently based on the geography and climate zone of each co-op, availability of local products continues to be a differentiator. In fact, local products make up 17 percent of SKUs in the average co-op and account for 21 percent of sales (compared to just 2 percent at conventional retailers). This amounts to an average at each co-op of \$3.4 million in local sales, or an estimated \$2.2 million paid to local producers annually.

The average food co-op purchases from 185 local vendors—a 19 percent increase over previous survey results, where co-ops were found to support 156 local suppliers on average.

Organic sales

Food co-ops have long been recognized as a place to find organic food, and for good reason. Co-ops sell proportionally far more organic than the average supermarket. A conventional store sells \$1.1 million in organic goods annually, while co-ops support the organic industry with an annual average of \$7.2 million in organic sales each.

More than 33 percent of the products co-ops carry are certified organic, and organics make up 42 percent of total sales at NCG food co-ops (compared to just 5 percent at conventional retailers).



Sales to owners

Member economic participation is one of the cooperative principles that food co-ops are tasked with upholding. While a co-op’s percent of sales to owners will fluctuate based on factors in the community and the level of ownership, a level between 60 and 80 percent is considered healthy for most co-ops. When sales to owners drops too low, it can be a sign that the co-op is not

meeting owners’ needs, while a level too high could indicate that the co-op is not attracting new shoppers into the store. Today, co-ops seem to be reaching the right balance, with an average of 65% of sales to owners.

Charitable contributions

Selling groceries is the core business of food co-ops, but giving back to community is at the heart of what they do. The cooperative principle of concern for community drives an inspiring array of co-op programs aimed at supporting the work of local organizations that are dedicated to making a better world for us all.

Based on study results, co-ops donate an average of \$32,612 annually. The median co-op contributes \$11,019 annually, representing 0.13 percent of total sales. By comparison, atypical company with less than \$5 billion in revenues donates a median of 0.09 percent of revenue to charity.

Food rescue

Food waste is a growing concern for co-ops and grocery shoppers. An estimated \$161 billion worth of food is lost at the retail and consumer levels each year in the U.S. alone. For co-ops, avoiding food waste and diverting food from the landfill is key, and it is typically achieved through donations to food shelves and better utilization of scraps in cooking and composting.

On average, the typical co-op rescued 24,000 pounds of food annually, which is equivalent to 20,000 meals for neighbors in need. In total, 1.5 million pounds of food, or 1.25 million meals, were donated to food shelves in 2016. While there is no large-scale conventional industry-wide measure for food donations, a survey by the Food Manufacturing Institute found that, on average, the 12 companies with sales less than \$1 billion that participated in the study donated 12,500 pounds of food annually.

Sharing the story

The impact that food co-ops have is a key market differentiator—and in today's environment, it is more important than ever to help current and potential co-ops shoppers and owners understand why their co-op matters.

NCG highlights the key positive results of this latest impact study for sharing with food co-op owners and shoppers in a booklet titled, "You Are the Co-op Difference." You can read the content online at StrongerTogether.coop. Supporting posters for in-store display are also available.

We ask all co-ops to help us share our collective story along with their own local impact, and we challenge them to make ongoing tracking and reporting of sustainability metrics through NCG's Co+efficient program part of their everyday processes. •

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The artwork for our "Feel the Burn?" story on pages 18-21 features hand-carved stamp prints, with the hand of Colorado artist Pippi Konstanski incorporated into the design. The images speak of the impact we have on our environment, and how our actions touch the world. Follow the artist on Instagram and Facebook.

COOPERATIVE GROCER NETWORK features writing and images by people who are passionate about food and the co-op community. We invite contributions to add to our curated archive of resources, and welcome original writing, art, photography, media, and design that reflects engagement with food co-ops and the work they do. Send inquiries and contributions to admin@grocer.coop.

