

New Co-ops Are Rocking

BY STUART REID



Monadnock Co-op on opening day in April. Since then, the signage (right) has been added. In recognition of its strong organizing and successful opening, Food Co-op Initiative honored Monadnock Co-op with its first "Startup Co-op of the Year" award at the 2013 CCMA Conference.



Every year at CCMA, we recognize the milestones of co-op anniversaries. Over the last few years, we have been fortunate to also celebrate increasing numbers of "birth announcements." Since last year's announcements in Philadelphia, eight more food co-ops have opened their doors. While this is a smaller number than last year, that is only because of coincidence in timing. There are over 125 more startups actively pursuing their own grand openings, and we can expect to welcome significant numbers every year for the foreseeable future.

This year's new co-ops are as diverse as the communities and circumstances that engendered them—from large to tiny, from frontier to city, and from a converted private business

to starting from scratch.

Fairbanks Co-op (Alaska) is the most recent to open and just celebrated its grand opening on May 18, becoming the first modern-era food co-op in the state. The co-op leases 4,200 square feet of retail space in a former supermarket building that had long been empty. The community has rallied around, with 1,600 members on opening day and 2,000 now. Sales are more than 25 percent above projections and on pace for \$2.7 million in their first year.

Operating a co-op (or any business) in Alaska presents a number of unique challenges. Aside from Alaska-grown products, everything is shipped by ferry and then trucked from sea ports. General Manager Mary Christensen

estimates that this adds 20 cents per pound to the cost of their inventory. UNFI orders arrive only once a week and have to be ordered a week ahead of time. Inventory management is challenging, to say the least. The Fairbanks Co-op's motto is "Locally Grown under the Midnight Sun," and a surprising amount of food is produced within their short growing season. With snow still on the ground, the co-op stocked fresh greens, potatoes and other produce; barley flour,

PHOTOS COURTESY OF MONADNOCK FOOD CO-OP AND FAIRBANKS CO-OP



Fairbanks Co-op's ribbon cutting as they opened the 4,200-square-foot store in May. Located in a former supermarket, the co-op is on pace to reach \$2.7 million in sales its first year.

meat, dairy, and more from Alaska. You might even find (cover the kids' ears) reindeer jerky.

Monadnock Co-op in Keene, N.H., opened on April 3, with a grand opening planned for June 20–22. With 1,300 members at its opening, the co-op already has grown to over 1,600. Owners invested a little over \$1 million in loans and over \$236,000 in member equity, enabling the co-op to build its own store from the ground up (13,000 square feet total, 8,000 square feet retail). Projected sales are \$7 million for the first year. Monadnock contracted with NCGA's Development Co-op to plan the co-op's store design and layout, project fund-raising, and to guide management through the first three years of operations. The board committed early on to using strong professional support and hired a highly effective project manager (Bonnie Hudspeth) to build membership and community support.

In recognition of Monadnock's strong organizing and successful opening, Food Co-op Initiative is proud to honor them with our first "Startup Co-op of the Year" award at the 2013 CCMA conference.

Old Creamery Co-op is one of the newest co-ops in the U.S., but it may be one of the oldest small businesses. The Old Creamery began in 1866 as a cooperative dairy and creamery. In 1930, the co-op folded, and private owners took over the building and ran a retail grocery store. Cummington, Mass., is a town of only 1,000 in the Berkshires, and Old Creamery

served the community as a general store, deli, and gathering place, earning strong loyalty from its customers. In 2009, the owners were ready to move on and saw a co-op as the perfect opportunity to preserve the store's community connections and retain the only source of food in the area. On Nov. 7, 2012, Old Creamery opened its doors again as a cooperative. With 525 members and 1,570 square feet of retail space (after a current renovation is completed), Old Creamery Co-op is expecting first year sales of \$1.4 million.

CreekSide Co-op opened Nov. 9, 2012, in the Elkins Park neighborhood of Philadelphia. Their organizing began in late 2007 with the help of nearby Weavers Way Co-op and an explosive show of support from 250 community members at their first meeting. When they kicked off their membership campaign, over 180 households joined in three weeks. By the time they opened, there were over 1,500. CreekSide was successful in obtaining a USDA Business and Industry loan guarantee—although it did not come easily and delayed the project more than a year—that was instrumental in leveraging their long-term financing... an important piece when the overall budget exceeded \$4 million to acquire their building and cover all the usual startup costs. Weavers Way continued to provide support and encouragement throughout CreekSide's organizing and right up to opening with backup administrative support. CreekSide's sales projection was

\$5.8 million in year one, in 6,345 square feet of retail space.

City Foods in Lafayette, Ind., is small—and proud of it. Open since June 14, 2012, City Foods started out in a mere 150 square feet and relied on volunteers to keep it open 12 hours a week. By November they had moved to a new location with over 700 square feet and were expanding both inventory and hours. Sales were only \$100/day (with limited hours and on only four days per week), but it was enough to cover expenses. By the end of February 2013, sales had grown to a projected \$25,000/year and City Foods had 250 members. Support is strong enough that the co-op is planning to move to a new Main Street location later this summer. By starting small and with almost no capital investment or debt, City Foods feels that they are meeting their community's needs in a way that would not have been possible if they had pursued a more typical startup path.

Green Market Co-op in Glasgow, Ky., also is starting small. They opened what they call their "Mini Mart" on September 24, 2012, after over six years of organizing and more than one change in plans. An early market study showed potential for \$1.6 million in annual sales, but the co-op struggled to get the needed membership support. The new store is open limited hours, four days/week, but they remain optimistic about their future.

We welcome all of these to the co-op community and wish them many years of success. ■

Birth announcements: Food co-ops opened in the past year

- **Allegany Harvest Cooperative Market**—Houghton, N.Y. (May 2012)
- **Green Market Co-op**—Glasgow, Ky. (Sept. 2012)
- **Fairbanks Co-op Market**—Fairbanks, Alaska (March 2013)
- **Noank Community Market**—Noank, Conn. (May 2012)
- **CreekSide Co-op**—Elkins Park, Pa. (Nov. 2012)
- **Monadnock Community Market**—Keene, N.H. (April 2013)
- **City Foods**—Lafayette, Ind. (June 2012)
- **Old Creamery Co-op** (conversion)—Cummington, Mass. (Nov. 2012)