Food Co-op 500

The Food Co-op 500 Program is a cooperative effort on the part of four organizations: NCB, NCB Capital Impact, Cooperative Development Services and the National Cooperative Grocers Association. This program is an industry-wide effort to efficiently and effectively support the growth and expansion of the food cooperative sector within the United States.

Our Mission:

Purpose
To stimulate and support the development of new cooperative food stores in the U.S. contributing to an industry-wide goal to increase the number of cooperative food stores from 300 to 500 by 2015!

Vision
We envision a support system that enables a faster and more effective start-up process, resulting in new cooperative food stores successfully serving their communities.

Lost River Co-op Opens in Paoli, Indiana!

On October 23, Lost River opened their doors to members and the community. Even though they promoted the event only to members, they were overwhelmed by the number of people who came in. Their 3,000 square feet of retail space is located only a block off the Paoli town square, making it a convenient gathering place in the heart of town.

Debbie Turner describes their development process, “During the first general meeting that launched the Lost River Community Co-op, we had copies of “How to Start a Food Co-op” to share and to consult. Our friends at Indiana Cooperative Development Center and our mentoring co-op, Bloomingfoods, all directed us to advisors in the larger cooperative world such as Food Co-op 500 and Cooperative Development Services.”

“A pivotal step for our fledgling group was to receive a FC 500 Seed Fund grant for $9,000. That helped us to leverage our local member investments into a full-fledged advertising campaign for membership recruitment and to gain community support. It also allowed us to continue obtaining professional services toward building a credible business plan and sound financial plan.”

“That early support helped us grow in both human and financial capacity. Every time we asked for help, Food Co-op 500 advisors linked us to other professional advisers and fellow start up cooperatives. We have never had to tackle a problem or face an unknown future alone.”

“Indeed, Food Co-op 500 assistance kept us from spending energy “re-inventing the wheel.” All advice we’ve received allowed us to take the step we needed to fulfill our mission. Thank you.”

“See page 4 for more pictures.”

Soul Foods & Yelm Co-ops Now Open!

May 1 of this year. The store is currently running with all-volunteer staffing. The Board is thrilled to have been able to open a store as quickly and inexpensively as they did, but are already realizing that they will need more room and a paid staff to ensure the future success of the co-op.

Soul Foods Co-op also opened for business in the historic Village Bottoms Cultural District of Oakland, CA on September 16. Their small store is part of a neighborhood development concept that emphasizes the unique contributions of the black community.
Harvest Moon Co-op
Approved for Sprout Loan

Harvest Moon Co-op in Long Lake, MN is the latest start-up group approved for a $25,000 Sprout Fund loan. The Board has recruited 325 members and is now preparing to begin a member loan and equity share drive with a goal of raising $750,000. The co-op plans to lease 5-6,000 square feet of retail space and have first-year sales projections of over $2 million. Four co-ops have now been approved for these Food Co-op 500 loans through NCB, including Fiddleheads in New London, CT; MOON in Oxford, OH; and Medford Market in Medford, OR. The Sprout loan is matched by the recipient and used to support development and implementation during the time before the co-op closes its permanent financing.

Development Flowchart
Our development timeline is based on the 4 Cornerstones in 3 Stages model developed by CDS. It steps through the entire development process, identifying critical steps and decision points along the way. We are planning to add an interactive feature that will allow the user to follow links at each step to the resources available.

Co-ops 101 Seminars
In 2008, we plan to offer three regional seminars for start-ups to jump start their organizing efforts. These 2-day workshops will provide information, resources and networking opportunities for groups starting new co-ops.

Member Loan Toolbox
This will be an addition to the popular toolbox series sponsored by the Northcountry Cooperative Foundation. Work on this tool is well underway and we expect to release this early next year.

Member Recruitment That Works
This is another primer, on how to conduct an effective member drive. It will include suggestions and recommendations from successful programs as well as copies of posters, recruiting materials, etc. Available soon on our [web site].

Legal Issues Primer
We are working with CDS and experienced legal counsel to compile an introduction to the many questions that arise in the process of creating a new co-op. Topics include: how and when to incorporate, how to structure member equity, articles of incorporation and by-laws and much more.

A Co-op in Your Community Video presentation
For organizing groups, this professionally produced DVD will help them to explain what a co-op is and what it could mean to their community.

Webinars
Food Co-op 500 is working with CDS consultants to present six new web-based workshops on topics of interest to start-ups. These will be provided at no cost starting in January and once again in the fall.

This is only a partial list of the ideas and suggestions that seems to grow daily! If you have ideas or materials that you think should be included, contact Stuart Reid, Food Co-op Development Specialist.

What’s Up at the Start-Ups (Continued from page 3)

Vancouver Co-op, Vancouver, WA

Just across the river from Portland, Oregon, Vancouver is an urban community with limited access to fresh, local food. They are now in the midst of building up their membership base and plan to lease 3-4,000 square feet of retail space, with a first-year sales projection of $1.8 million. Their timeline tentatively calls for opening in 2009.
What’s Up at the Start-Ups

16 co-ops have received grants or loans through the Food Co-op 500 program and over 70 organizing groups have contacted us in the last year. Co-ops that have received Seed Fund grants or Sprout Fund loans work closely with the Food Co-op Development Specialist to share their progress and receive guidance and support. Here is what the rest are doing:

Chatham Real Food Market,
Chatham, NY
The organizers here have leased 1,900 square feet of retail space and hope to open next March. Renovations are underway.

Community Market,
Carroll, IA
Community Market is working on building up their membership to support a 3,500 square foot retail space. They have completed a market study that predicts first year sales of $1.8 million.

Hockomock Retail Food Co-op
West Bridgewater, MA
“The Hock” currently exists as a small buying club and retail counter serving the employees of Equal Exchange. They are exploring the feasibility of opening a larger retail store to serve the entire community.

H Street Community Market,
Washington, D.C.
Opening a new co-op in the nation’s capital requires overcoming many unique challenges. The organizers are faced with a limited number of suitable sites (parking? what’s that?) and the need to solicit members and loans in two states, as well as the district. They hope to find 4,000 square feet of retail space to support first-year sales of $3 million. Planned opening is the fall of 2008.

Medford Market, Medford, OR
After a tremendous effort at signing up members (over 1,500) Medford Market had found itself on the brink of dissolution due to lease and development costs incurred before opening. They have been able to get out of their lease, formed a new board and hope to rebound soon.

MOON Co-op, Oxford Ohio
The Miami-Oxford Organic Network has been around for a long time supporting local agriculture and hosting a buying club. They are now closing in on a 3,000 square foot retail space to open a co-op in this college community. They are projecting sales of $1.6 million and hope to open by August of next year.

Valley Market, Staunton, VA
The idea for a co-op in Staunton began with Bob Hodge, owner of The Backdoor Butcher. He, along with his board, are hoping to integrate his natural meat business into a full-line grocery co-op. They have just completed a market study, which will help to determine if the current space is large enough.

(continued on page 2)
Thanks to all our sponsors and partners for making Food Co-op 500 possible!