

BY DAVE GUTKNECHT

Checking the Alignment: FCI NCGA CGN CDSCC NCB



I concluded my previous column on growing our future by emphasizing the importance of greater alignment among stakeholders both within local coop-

eratives and within our cooperative sector. Food co-ops are in the midst of their strongest expansion since the 1970s, and we need to make the most of it. Such a market opportunity is not likely to last indefinitely, even as the need grows for the kind of community-based and accountable organizations that food co-ops offer.

This past June, at an annual national gathering, we celebrated the achievements of both new and established co-ops (“Deep in the Heart of Co-ops,” p. 8). Readers of this publication are aware of the impressive wave of new food co-op development, now a decade old. At this year’s celebration we announced another eight new co-ops (“New Co-ops Are Rocking,” p. 14).

What may be less well known is the unprecedented scope of expansion among existing food co-ops. A representative of the National Cooperative Grocers Association (NCGA) recently described the growth plans within its membership, presently 134 food co-ops operating 170 stores. During the next two years alone, NCGA expects to see its member co-ops open 30 additional stores, plus carry out 20 major store expansions.

These astonishing figures were presented at a landmark food co-op development Summit that took place at the beginning of the June conference. Present, with the room at capacity, were some 65 directors, managers, trainers, and members from NCGA, National Co-op Bank (NCB), CDS Consulting Co-op, Food Co-op Initiative (FCI), and Cooperative Grocer Network. The respective strengths and primary activities of these organizations were reviewed, followed by discussions that explored specific development issues. A planning group will be meeting and making recommendations.

One day after the Austin Co-op Development Summit, NCB President and CEO Charles Snyder announced a \$250,000 contribution over the next five years to support FCI, which is working with its close allies to provide substantial assistance and resources to startups. The recent survival rate among new food co-ops is

about 75 percent, a good record. Nevertheless, each startup group must supply most of the organizing energy and initial capital, and these efforts often require several years of hard work before the co-op reaches opening day.

Among the several paths to food co-op growth that were identified, Summit attendees agreed that the strongest path, leading to the greatest growth in co-op owners and buying power, is expansion of existing co-ops through more stores and bigger stores. Another growth strategy scenario, but one for which we have only a handful of examples, is the potential co-op conversion of privately owned natural foods stores where the owners wish to sell. There also have been scenarios in which a developer wants a co-op at a site and extends a proposal to an existing co-op.

Within the several paths of food co-op development, the national organizations contribute complementary resources and components of successful enterprise. Heightened collaboration will strongly encourage the growth in co-ops and co-op owners that we all want to see. Startups need training in recommended practices, and those resources are being greatly improved. In parallel development, existing co-ops are benefiting from the cumulative experience of opening many expanded and additional stores.

Shortly after the half-day Summit discussions, Food Co-op Initiative issued a summary: *Summit participants recognized clear consensus on these points:*

- *There are several paths of co-op development, and all should be encouraged as long as they are aligned with cooperative principles.*
- *A leadership team should be formed to carry forward the work of the Summit.*
- *Co-op development needs a stable system of funding.*
- *The organizations and individuals present were already aligned on many of the issues we discussed, and additional alignment occurred as a result of the Summit.*

The food co-op sector still has work to do to ensure that citizens, governments, schools, and businesses recognize the unique economic and social value of co-ops so that each new co-op does not have to educate to such a great extent and co-ops will be seen as an asset in economic development.

We need to exploit cross-sectoral alliances more effectively. ■

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