EAST NEW YORK FOOD CO-OP

GROWING PAINS OF A COMMUNITY-OWNED FOOD STORE IN AN URBAN FOOD DESERT

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ENY FOOD CO-OP

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What is a Co-operative?

- Member-owned, member-governed businesses that operate for the benefit of their members ... In co-ops, members pool resources to bring about economic results that are unobtainable by one person alone. Most simply put, a cooperative is a business:
 - voluntarily owned by the people who use it, and
 - operated for the benefit of its members.
 - aim to meet the needs of its members.
- Consumer cooperatives are owned by the people who shop at the stores. Members exercise their ownership by patronizing the store and voting in elections. The members elect a board of directors to hire, guide and evaluate the general manager who runs day to day operations. (NCGA)

Principles of a Food Co-op

- <u>1st Principle</u>: Voluntary and Open Membership
- <u>2nd Principle</u>: Democratic Member Control
- <u>3rd Principle</u>: Member Economic Participation
- □ <u>4th Principle</u>: Autonomy and Independence
- <u>5th Principle</u>: Education, Training and Information
- 6th Principle: Co-operation among Co-operatives
- 7th Principle: Concern for Community

International Cooperatives Alliance

East New York Food Co-op

Location

- 419 New Lots Avenue, Brooklyn, New York, 11207
- Opened for biz November 20, 2006
 - Received a federal grant from NIH
 - After a 1-year planning/set-up period
- Offers organic, conventional, and local produce, bulk, packaged products, and books. Avoid GMOs.

" A Food Co-op Grows in Brooklyn"

- Resource: Hunter College Graduate Students; Mount Sinai School of Medicine
- Objectives/Questions:
 - Conduct a preliminary Community Food Assessment: What does Food Accessibility look like in East New York?
 - Research the feasibility of opening a Food-Coop: Is the ENY community "ready, willing and able" to support a Food Co-op.

Client Questions

- What are the residents reactions to a food co-op?
- How much would residents be willing to spend?
- What type of food would residents buy from the food co-op?
- Where should the food co-op be located?

Resident Survey Findings

Reactions:

- □ 73% do not know what a food co-op is
- 97% would shop at the food co-op

Willing to spend/volunteer:

87% are willing to pay a membership fee
43% willing to pay \$25-\$50 per year
71% willing to volunteer at the food co-op

Source: ENY Ground Survey N = 100

Fruit and Veggie Consumption

New York State

72% consume fewer than five servings of fruits and vegetables per day

East New York (survey sample = 100)

92% consume fewer than five servings of fruits and vegetables per day

Behavioral Risk Factor Surveillance System, 1990 N= NYS adults age 18 yrs. +

A Food Co-op Grows...(cont'd)

□ Findings:

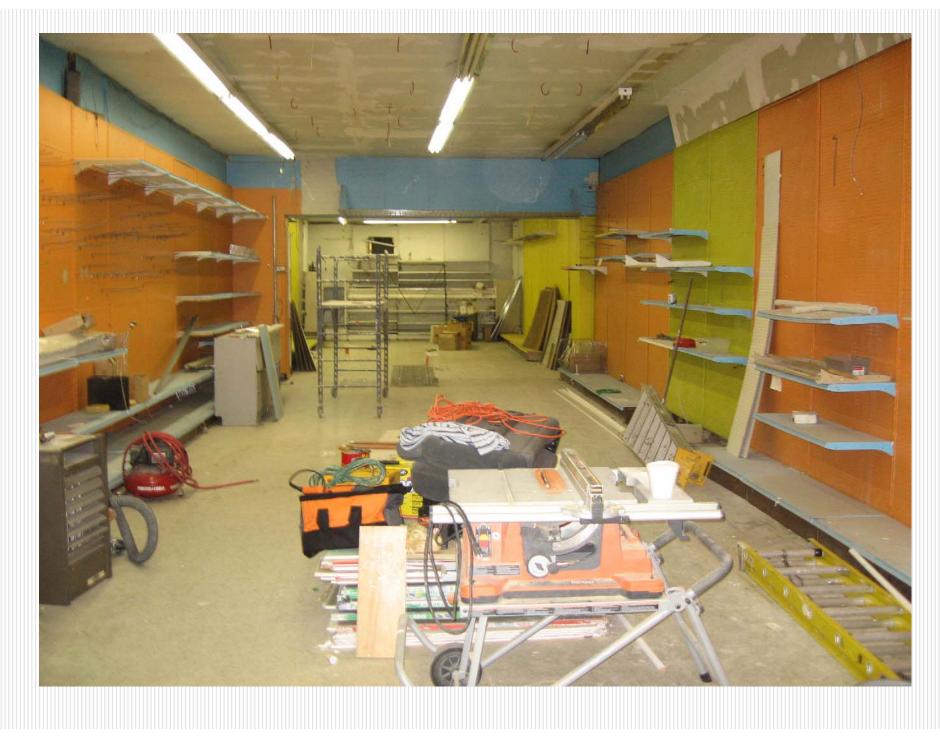
- #1 Concern of Respondents: Food Quality
- high price for low quality;
- lack of variety
- Recommendations
 - Include education on the Food Co-op concept in marketing strategy
 - Partner with transportation agencies to ensure accessibility
 - Maintain an Exec Board with no less than 50% residents to preserve community representation

A B.R.A.V.E.N.Y

- A Business Retail Area Vision for East New York (HC, 2005)
- **Recommendations**:
 - Location: Specifically along Pennsylvania Avenue near Liberty or Pitkin Avenues for its high visibility location and transportation resources.
 - Promote and Encourage Community Gardens
 - Accept Food Stamps and account for other types of assistance
 - Build Partnerships
 - Education and Advertising Campaign



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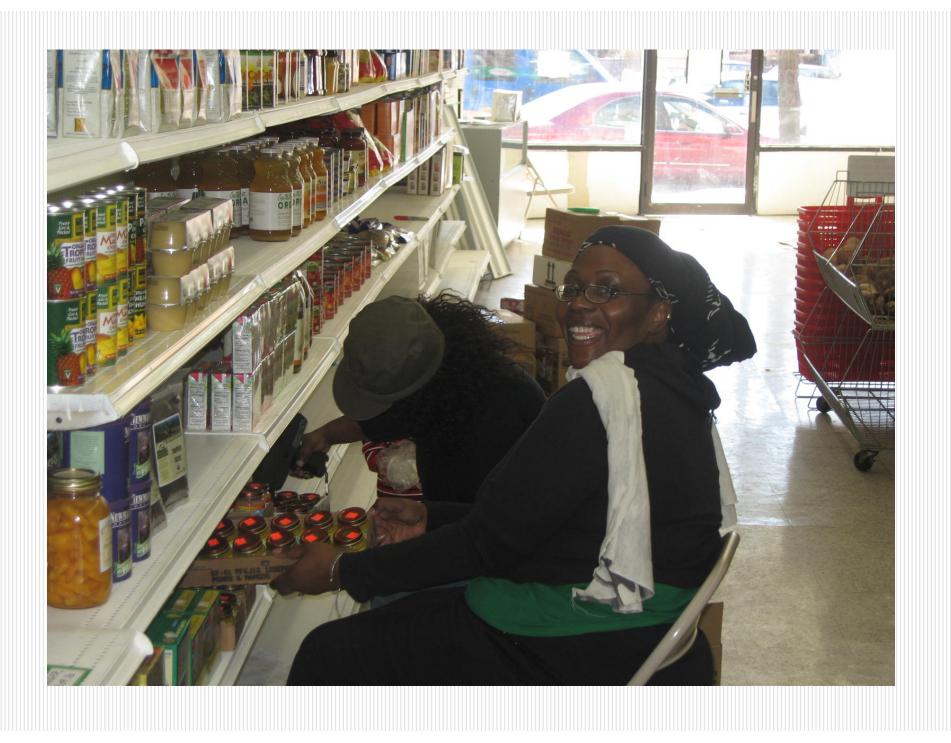
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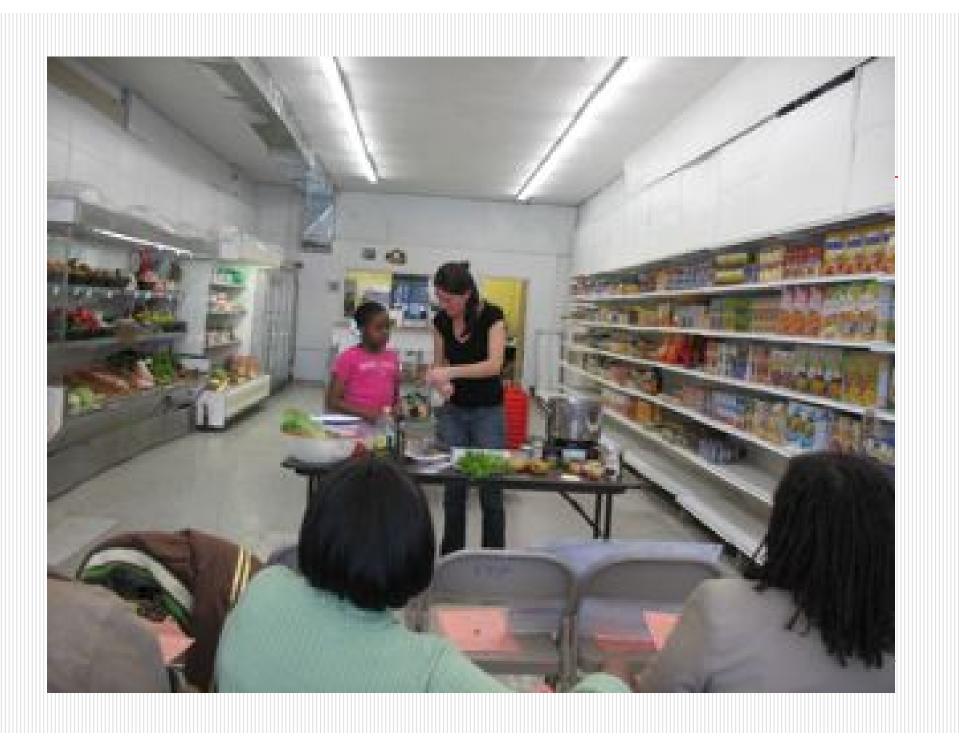
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East New York Food Co-op

- Membership (Modified-Sept 2007)
 - One-time Fee: Individual \$25, Family \$35
 - Volunteers & Seniors 20%, Non-V 10%
 - Volunteer 3 hours once a month (4 weeks)
- Currently has 47 members
- Provides nutrition workshops and health screenings
- Partnership with Mount Sinai School of Medicine
 - Conducting a community health research

Year in Review: 1st year Goals

- □ 100 volunteering members
- Members would shop regularly spending \$15-20/week
- Overall sales (incl. Non-Members):
 - **\$2000/week**
 - 145 shoppers/week
- □ Actuals: 1/8 of projections

Year in Review: Challenges

Management Learning Curve

- Trial & Error
- Advisorship:
 - Different Time/ Different Place
 - Knowing what questions to ask
- Working with partners & their capacity
- Unanticipated Capital & Operating Expense
 - Building Sustainability: Should we put money towards inventory as budgeted or pay bills.
- Malfunctioning Equipment/ Lack of
 - Compressors: always purchase new

Year in Review: Challenges

- Inventory Loss/ Slow Growth
- □ Food Stamp/ EBT terminal:
 - Submitted 3 applications over a year
 - Unfamiliar with our corporate status
 - Not prepared to carry a certain distribution of products that we were
- Managing Customer Expectations
- Cash Flow Consistency: Build a Cash Reserve.
- Minimal Marketing
- Manpower/ Coordination of Tasks

Moving Forward

- Marketing Campaign:
 - Build customer confidence, Advertise
- Product Research:
 - Previous research heavily weighted on access to fresh produce
 - Consider well rounded meal planning
- Encourage consistent participation by the membership
- Building Community Partners
- Rethinking the Co-operative Concept as a business model

Ongoing Research

- Community Health Survey
- Focus Groups
 - Objective: Learn more about resident shopping habits, and what structure and product availability is ideal for ensuring their support of the Food Co-op.
 - Goal: Implement ideas in the development of the Food Co-op.
- Food Store/Restaurant Survey
 - Objective: Assess the ENY Food System more extensively and how accessibility shapes the food choices in community residents.
 - Goal: The ENY Food Policy Council can address ENY food related issues more specifically through the Food Co-op and other wellness approaches.

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