

# EAST NEW YORK FOOD CO-OP

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

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# What is a Co-operative?

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- 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)
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# Principles of a Food Co-op

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

International Cooperatives Alliance

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# East New York Food Co-op

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- 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”

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- 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.
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# Client Questions

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- 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?
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# Resident Survey Findings

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## **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

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Source: ENY Ground Survey  
N = 100

# Fruit and Veggie Consumption

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## □ 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. +

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

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## □ 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
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# A B.R.A.V.E.N.Y

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- ❑ 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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# East New York Food Co-op

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- ❑ 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
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# Year in Review: 1<sup>st</sup> year Goals

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- ❑ 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
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# Year in Review: Challenges

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- 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
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# Year in Review: Challenges

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- ❑ 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
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# Moving Forward

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- ❑ 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
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# Ongoing Research

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- 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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# CONTACT:

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