
CoG

Wheels in Motion for a New East Bay Food Co-op

BY MATTHEW GREEN

Berkeley seems like one of the most obvious places in America to have a food cooperative. At least, that's what Elisa Edwards and her husband Martin assumed when they moved here last year from New York City. Once active members of a Brooklyn co-op, they were shocked to find no equivalent in this bastion of progressive thinking and eating. How could such a green-tinted city, renowned for its local foods restaurants, community activism and copious farmers' markets, not have a member-owned shopping alternative?

In fact, while member-owned food cooperatives have sprung up in college towns and left-leaning regions throughout the country, not a single established one currently exists in the entire Bay Area. While the landscape is chock-full of worker-owned cooperatives, such as Rainbow Grocery in San Francisco and the Cheese Board in Berkeley, not-for-profit grocery outlets, in which members collectively own and run the business, have completely fallen off the radar. The closest one is in Davis.

"One of the hardest things about moving was knowing we were going to leave that [co-op] community," says Edwards, a mother of three and part-time teacher. Along with the communal element and direct sense of ownership, Edwards also missed the affordability of organic and sustainable groceries that the co-op provided. Prices were significantly lower than conventional grocery stores because members were required to work shifts, which slashed overhead costs. She was struck by how much more expensive those same items were in popular Berkeley markets like Whole Foods and the Berkeley Bowl.

So with the resolve of a hardened New Yorker, Edwards

helped get the ball rolling. "The only way to do it is to do it ourselves," proudly claims Edwards, who has no previous experience opening a grocery store.

Edwards and her husband soon met another couple hun-

gry for a co-op, and over multiple dinners and bottles of wine, the idea evolved into the formation of the CoG (Cooperative Grocery) and the launch of a website www.thecog.org in early August.

In addition to explaining the basic mission of the co-op and providing a rough timeline, the site explains the rules of membership. Signing up requires a \$100 refundable investment (returned if the member decides to leave) and a one-time \$25 fee. The original goal—an ambitious one—was to sign up 100 new members (a \$10,000 investment) within the first month.

Within 17 days, they had reached their goal. By early December, more than 270 members had contributed their \$125 and committed themselves to the co-op's creation. Nothing was even for sale yet.

Michael Weiler and his partner Julia Carpenter, the other couple involved in the site launch, admit their surprise at how quickly and trustfully people have signed up and how few questions or concerns have emerged. The more members it has, the less the venture needs to rely on big donors or loans, and the greater the degree of community ownership. Through a partnership with a local organization, the CoG has also gained non-profit status and can apply for grant funding.

"Berkeley is obviously ripe for a co-op," notes Weiler, an educational consultant who moved to Berkeley four years ago with Carpenter and their three kids. "Many people have a hard time believing there isn't one."

The co-op is expected to open for business in February, initially as a virtual store. Members will be able to shop online or call in orders from a print catalog, minimizing the hefty rent, zoning and parking costs of a typical storefront. Food will come from wholesale natural food distributors and at least one local organic farm and will be stored in a warehouse, the location of which is yet to be determined. The product selection will initially be limited to non-perishables and seasonal produce and members will be able to pick up their orders from the warehouse several times per week.

Before consideration for a fully-outfitted retail store begins, CoG organizers plan on sticking to the virtual phase long enough to grow to 1,000 members and a hundred thousand dollars in investment. But even after an actual store opens, members will still have access to online ordering, Weiler adds, noting the cost effectiveness of the web-based model and the ease with which it can be replicated in other communities.



Upon roll-out, members will be required to work two and one-half hours a month to maintain the operation, supplanting the need for hired staff and greatly reducing operating costs. In fact, there are no plans to hire any paid staff until a retail store opens, which will likely require the consistency and expertise of a full-time manager. In exchange for their work, members will be able to buy food at about 30 percent above the wholesale rate, which is about half the mark-up of a conventional grocery store. According to Weiler, with the increase in membership and capital, that mark-up will drop. The eventual goal is closer to 20 percent.

Weiler emphasizes that no one is making a profit, and the work requirement is a way of ensuring complete equality. "As a fundamental principal, I do not believe that healthy food should only be for the wealthy."

Members have already started to get involved in a variety of planning committees, including an education/outreach committee, intended to spread the co-op gospel and help build a membership that is racially, culturally and economically diverse. There is particular emphasis on extending membership to residents in nearby low-income areas, many of who do not have access to nutritional food sources and lack the resources to buy organic, sustainable groceries. Individuals on public assistance will still be required to work the requisite two and one-half hours, but will only have to contribute a \$10 investment to join. There is also discussion of accepting food stamps immediately upon opening. Another CoG committee seeks to define "sustainability" and has been crafting a set of criteria to use in deciding what products to buy. The criteria prioritize products that are organic, healthy, fair trade, local and affordable.

"On one hand, the Berkeley/Oakland area is rich with retail choices for healthy food and sustainable goods, but the elitist connotation associated with 'organic' and 'sustainable' prevents many people from considering it to be a viable economic choice," the CoG's recently drafted vision statement explains. "Our goal is to offer sustainable products at prices that are below retail so that the question of affordability is removed as a deciding factor in how families eat and how the products they use affect the environment."

But, as utopian and egalitarian a vision as the CoG may seem, history suggests that there is strong potential for a model like this to run into challenges.

For one, major decisions will all be made through a consensus process among members or, eventually, an elected board of directors. This process can be long and tedious and potentially affect the level of efficiency that a well-run commercial business might enjoy. Furthermore, there is the question of whether a store with such strong social, environmental and consumer values, not to mention one with a work requirement, can really



STAR GROCERY

3068 CLAREMONT AVE 510-652-2490

IN BERKELEY SINCE 1922
EVERYTHING FOR YOUR EATING AND DRINKING PLEASURE
 QUALITY MEATS • PRODUCE • GROCERIES • LIQUORS • WINES

QUALITY




SERVICE

BULK FOODS
ESPRESSO & TEA BAR
 LOCAL ORGANIC AND SUSTAINABLY FARMED PRODUCE
 FINE DOMESTIC AND IMPORTED CHEESES
EXTENSIVE BEER SELECTION
 FRESH BREAD DAILY

NOW FEATURING
BARON'S NATURAL, ORGANIC & GRASS-FED
MEATS AND POULTRY
 AND FULL-SERVICE DELICATESSEN

MON - SAT 8-7 SUN 10-5

Berkeley Horticultural Nursery



Winter veggies for the East Bay

'Violet Queen' broccoli

1310 McGee Ave, Berkeley
510-526-4704
www.berkeleyhort.com

grow beyond the small contingent of usual suspects to attract a truly diverse membership.

Another obstacle is that, even if the food is cheaper, Berkeley is already saturated with grocery stores and farmers' markets that provide every healthy and socially conscious product available. Many residents are loyal to these outlets and won't be easily convinced to consider an alternative. Add to that the fact that many shoppers may prefer to pay the extra cost than be required to work in a store several hours each month?

The CoG was recently denied funding for a \$10,000 grant from a co-op startup foundation on the basis that sustainable, healthy food was already available in the area. While CoG members point out the different interpretations of accessibility, noting that economic accessibility is often overlooked in the equation, skeptics of the CoG's importance will likely share the foundation's perspective.

Dave Fogarty, the City of Berkeley's community development project coordinator, noted the relative affordability and broad product selection at the Berkeley Bowl and its widespread popularity among residents. He also emphasized the crucial obstacle of eventually finding an affordable retail space. But despite these reservations, Fogarty recognizes the need for more affordable nutritional food in the area and says the city government would be supportive of a cooperative grocery.

Local businessman Jonathon Deyoe, a member of the Berkeley Chamber of Commerce, doesn't see the co-op as being any kind of threat or real competition to the large established grocery outlets in the city, with the possible exception of the farmers' markets. "I couldn't carve out two and a half hours for the privilege of shopping. That's a tough sell," he says.

The CoG's founders are well aware of these potential obstacles and remain highly optimistic about the institution's success. They point to how quickly membership has already grown, well before the benefits have even been made available.

Weiler agrees that the CoG, while aiming to be an alternative to stores like the Bowl and Whole Foods, won't take a considerable amount of business away from them. And while hoping to eventually sell the produce of many local farms, he adds, the CoG fully supports farmers' markets and does not foresee being in direct competition.

He also notes that a member-owned co-op with a work requirement is certainly not for everyone. "I think it will be a self-selecting group of people who choose to shop at the CoG. People will feel comfortable that their work has been done and that what they buy will be examples of [responsible] principles."

While unique in its own right, the CoG is not entirely recreating the wheel. Members have ample examples of co-op successes and failures to look to for lessons.

ENROLL NOW FOR SPRING COURSES
\$150 OFF TUITION IF ENROLLED BY 1/19



EXCITING CAREERS


- Natural Chef
- Nutrition Educator*
- Nutrition Consultant*

BAUMAN COLLEGE
 HOLISTIC NUTRITION AND CULINARY ARTS

Classroom Courses
 Berkeley, Penngrove, Santa Cruz
 *Distance Learning Option
 New! February Gardening Classes

Find Out More At An Introductory Evening

MAKE A DIFFERENCE...ONE BITE AT A TIME!
www.baumancollege.org (800) 987-7530



All year rain or shine

BERKELEY FARMERS' MARKETS

ORGANIC fruits & vegetables
 FRESH from California Farms


Saturdays 10:00 to 3:00 pm
 Center Street @ MLK Jr. Way

Tuesdays 2:00 to 6:00 pm
(starting in April open till 7:00 pm)
 Derby Street @ MLK Jr. Way

Thursdays 3:00 to 7:00 pm
 Shattuck Avenue & Rose Street

~* 510.548.3333 ~*

a program of the Ecology Center
www.ecologycenter.org



Among the latter is the Consumer Cooperative of Berkeley, which was started as a group of buying clubs during the Depression and finally shut down in 1988 due to financial hardship. According to *What Happened to the Co-op*, a collection of opinions chronicling the co-op's history and eventual demise, at its height, the CCB had three supermarkets in Berkeley and others in neighboring cities, over 100,000 members and a sales volume of \$83.6 million. Tenure in the co-op was even flaunted as a status symbol in certain circles. The operation was not limited to just grocery stores; a pharmacy, gas station, bookstore, and credit union were among the other disparate business ventures. Its central grocery, and last operation to close, was on Shattuck Avenue in North Berkeley, now an Andronico's.

Accounts vary as to why the co-op eventually collapsed, but many involved point to poor management decisions, infighting and too-rapid expansion outside of the grocery business. The CoG's founders add another reason to that list: While members had to financially invest in the co-op, in the end, there was no work requirement, resulting in a lack of shared responsibility and ownership.

"One of our values is that cooperation means working together," says Joe Holtz, the general manager and co-founder of the Park Slope Food Co-op, where Elisa Edwards was a member. The enormously successful co-op in Brooklyn, New York is a model for the CoG. "If we were writing [co-op] principles, we would write, 'If you really want people to connect to the place, they need to see that their work makes a difference.'"

Holtz helped start his co-op in 1973 after living in Berkeley and Oakland for a year. He was 22 years old and worked with nine other people to get a small operation started. The PSFC now has 12,800 members and owns three connecting storefronts. Just as the CoG intends, it has a member work requirement that keeps the number of paid staff to a minimum and allows for a large selection of both organic and conventional foods, all for 21 percent above wholesale price. There are also a wide variety of jobs to sign up for, from stocking shelves to childcare (so that members can drop off their children while they work or shop—a system the CoG plans to emulate).

Holtz insists that strong member commitment and defining the work culture are among the most important elements of a successful co-op. "We understood we wanted to eat better but also understood we didn't have the money for it. If you could cut down that labor expense, you could sell food for less ... By saying everyone has to work, we actually created a community for those who were willing." Until this past year, the PSFC was experiencing annual double digit growth, but Holtz also acknowledges that starting the co-op was, and continues to be, a process of trial and error.

"We forgot that a co-op is a business," he says, recalling how their relaxed financial policies in the early days led to initial un-

dercapitalization but ultimately pushed them to start paying very close attention to their finances. While Holtz has some hesitations about the CoG's virtual store and ability to accrue capital from it, he remains enthusiastic about the fledgling operation and recognizes that while the Bay Area has no lack of sustainable foods, the co-op will fill the affordability niche.

On a recent Tuesday evening, the Berkeley Farmers' Market was bustling as the sun quickly faded. When asked about the CoG, many shoppers said they hadn't yet heard of it. Some expressed enthusiasm while others were hesitant about the work requirement and did not feel a compelling need to change their shopping routines.

Judith Redmond is one of the owners of Full Belly Farm in the Central Valley and a regular seller at local farmers' markets. Her organic farm has already made tentative arrangements to provide regular produce deliveries to the virtual store while also continuing to sell at the farmers' market.

"The more ways you have of getting this kind of food, the better," she says, as she weighs a bag of carrots for a customer. A food co-op, she notes, is in an excellent position to educate the public about food systems and encourage people to eat healthier.

When asked if she has concerns about the CoG affecting traffic at the farmers' market, she replies, "I'm not too worried. If it does well, we'll just change our marketing strategy . . . I think this is a great place for it. There's a lot of potential."

*For more information about the CoG,
visit www.thecog.org*

Real Seltzer & Italian Sodas
To Pour is Human, to Spritz, Divine
The SELTZER SISTERS
Bottling Company, Inc.
Beverage Catering, Home Delivery, Private Parties, Bar & Bat Mitzvahs
Call: Kathryn Renz · Tel: 650-369-4888 · Web: www.seltzersisters.com