

# Cooperating in a New and Nettlesome Era

BY DAVE GUTKNECHT



The market outlook for cooperatives specializing in organic, fresh, and local is more challenging than at any time in the past few decades. Organic food sales overall continue to grow

strongly at a double-digit pace after many prior years of solid growth—there’s been nothing else like it in the gigantic world of groceries.

Food co-ops thrive in diverse settings, but the overall leaders in organic sales are such players as Wal-Mart, Costco, and Kroger. More regional and national chains are expanding into “natural” and organic, and not only in the largest markets.

The results for food co-ops have been mixed. Many of them continue to thrive, growing strongly and operating in the black. But growth rates are slowed or gone altogether for many food co-ops, and earnings have been reduced also. It’s a new and nettlesome era, and older assumptions and operating tactics may prove to be inadequate.

*Given all that, I’d like to remind readers of exemplary accomplishments that have strengthened co-ops’ impact—landmarks they have achieved through solidarity and cooperation among cooperatives.*

After all, the current market landscape exists in part because co-ops are a victim of their own success. They pioneered in organics over 40 years ago, spreading an obscure belief in soil-building production and in cleaner food with fewer synthetic additives. Now, while running tight operations, co-ops need to spread more powerfully the still-obscure notion that building community matters and that cooperative ownership is a superior form of business.

When *Cooperative Grocer* was launched 30 years ago, retail food co-ops needed help, and this publication gave these businesses a national voice. As its writers—managers, trainers, board members, educators—have grown in experience, the magazine’s contents along with its website resources have likewise grown in depth.

Another essential co-op service that we once did not have is an online educational network run on behalf of its subscriber co-ops. What began as CGIN became CGN: Cooperative Grocer Network. Greatly enhanced online services, and the new CGN executive director, Ellen Michel, are presented elsewhere in this issue.

*The pattern in these and following examples is initiative taken by co-ops acting together for mutual benefit.*

The CCMA (Consumer Cooperative Management Association) conference, a multisector gathering with 1950s origins, by the 1980s was helping food co-ops see themselves as a national movement. CCMA is now under new leadership—its inspiration, essential instructions, and camaraderie, reported here, will depend on adapting to address urgent issues.

For three decades, the 1970s food co-ops operated without an effective national purchasing cooperative. They first built group strength through regional associations and then through National Co+op Grocers (NCG). Today, many NCG member co-ops might not survive without its services. For smaller co-ops a big question is, “When can we join?”

Our trainers and consultants, too, were formerly much more on their own—co-op managers trying to help other co-ops. Then Cooperative Development Services began sponsoring them, giving rise to the CDS Consulting Co-op. This is now a familiar name among food co-ops—helping strengthen governance and operations through sharing skills and vision, adding depth to the co-op sector.

Nor did we have, in earlier decades, a Food Co-op Initiative (or its predecessor, Food Co-op 500) to guide food co-op formation. This initiative strongly supports the 21st-century wave of new co-ops, and new stores—11 more!—are announced in an annual review by Stuart Reid.

“Nettlesome” is understated as a description of the present era. Along with democratic disagreements endemic among co-op owners, strong class and race issues, and challenges in understanding and influencing co-op owners, we also have many other retailers selling the products that co-ops have. But do those competitors have everything that co-ops can offer?

Co-ops can still offer the best social values and often the best food dollar value. How is your co-op differentiating itself?

Many of our member-owners are only weakly loyal to the co-op. They may not realize that their local food co-op is dependent on them. Hence the importance, as urged here by Patricia Cumbie, of understanding member-owners and their patterns of investment and patronage. Knowing the owners is critical in an era in which co-ops cannot assume that former practices will be adequate to sustain us. □

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