

Farm to Freezer and Beyond

Regional food systems and cross-sector collaboration

BY ERBIN CROWELL

The Neighboring Food Co-op Association (NFCA) is a network of more than 30 food co-ops and start-up initiatives across New England, locally owned by over 80,000 people. Together, our member co-ops have annual revenues of over \$200 million and employ more than 1,500 people.

Increasingly, this shared impact is catching the attention of consumers, activists, and policymakers across our region. For example, Chuck Ross, Vermont's secretary of agriculture, recently asked to attend the NFCA's annual meeting, where he spoke to the importance of food co-ops and other co-operative enterprises to the regional economy.

"Food co-ops are on the leading edge of evolving and adapting our food system to meet the needs of the 21st century in providing secure, safe, and equitable distribution of food," said Ross. "Co-ops empower people to be more than consumers and farmers to be more than producers. Co-op ownership enhances their engagement with the food system, amplifies their voices, and shortens the distance in the supply chain from producer to consumer."

Of particular interest to policymakers such as Ross is that the member co-ops of the NFCA purchase in excess of \$30 million in local products every year. A priority for our association has been exploring ways that we can leverage this shared purchasing power as we advance our vision: *a thriving regional economy, rooted in a healthy, just and sustainable food system, and a vibrant community of cooperative enterprise.* Historically, food co-ops have been catalysts for innovation, supporting the growth and development of natural foods, organic agriculture, and fair trade, often in collaboration with other food system co-ops such as Equal Exchange and Organic Valley.

Creating change, increasing impact

More recently, food co-ops have played a key role in efforts to relocalize economies. In forming regional networks, we have an opportunity to work together strategically to create change on a broader level. And by collaborating with

producer co-ops and other networks, we can increase our impact in even more profound ways.

To explore the priority of regional sourcing, the NFCA began by starting a dialogue at our member gatherings on the desired outcomes of our activities, including social, environmental, and economic impacts. In keeping with our vision, priorities that emerged included supporting sustainable agriculture, strengthening family farmers, and collaborating with producer co-ops where possible.

To better understand our potential, we then focused our limited resources on pilot projects that could help us explore the challenges and opportunities in our food system and marketplace. Building on research initiated by NFCA

our disposal to enable us to experiment with new products and innovate on a regional level, severely limiting our ability to achieve scale and compete in the marketplace.

Farm to Freezer

In 2010, the NFCA began reaching out to potential partners in the development of a line of regional frozen products. Following a series of dialogues, we began a close collaboration with Deep Root Organic Co-op, a farmer-owned produce co-op founded in 1986, and Sunrise Orchards, a diversified apple orchard in Vermont. Sunrise had been considering a variety of value-added options to support its operation and make use of storage infrastructure. For its part, Deep Root was interested in extending the season for its member farmers while developing more direct relationships with food co-ops in the region.

The following year, the NFCA launched Farm to Freezer, a pilot line of frozen blueberries, broccoli, green beans, and sweet corn. Grown by family farmers here in the Northeast, these fruits and vegetables were then packed by two regional processors and branded exclusively for our member food co-ops. The clear package that we used was a hit among consumers, many of whom noted that we were not trying to hide the contents.

A grant from the eastern corridor of the National Cooperative Grocers Association (NCGA) helped to promote the project and defray some of the costs related to inefficiencies and lack of infrastructure. Member co-ops also took a reduced margin on the products to make them more affordable to consumers as we tested demand. Basic logistics were handled by Sunrise, which then delivered the products to our members on the Sunrise trucks.

The project not only enabled our member food co-ops to access more local produce, it also reinforced our position as collaborators, innovators, and risk-takers in the food system. Despite challenges, the pilot was deemed a success. The products had a loyal following, and we decided to extend it for a second year. A second grant from the NCGA's eastern corridor supported



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member City Market/Onion River Co-op in Burlington, Vt., we began with a list of products in demand by food co-op members but with limited or no local supply. At the top of this list were regionally sourced frozen fruits and vegetables.

Of course, there are reasons that such products are not readily available. Decades of consolidation in the food system have severely limited sources for many products. Producers in the region are not accustomed to supplying such markets, and processing infrastructure is limited in scope and ability to serve retailers. Making things more challenging is that we no longer have a regional distribution system at



PHOTO COURTESY OF NEIGHBORING FOOD CO-OP ASSOCIATION

Deep Root Organic Co-op, a farmer-owned produce co-op founded in 1986, was a key partner in developing the line of locally grown frozen fruits and vegetables.

our efforts to slightly improve margins, introduce more certified organic produce, and increase overall volumes with a goal of supplying product for up to a year. As we near the end of this season, the member co-ops of the NFCA will be moving upwards of 13,000 pounds of regionally sourced frozen fruits and vegetables.

Building a brand

Experience says that one of the most effective ways for our co-ops to create lasting change in the food system is to strengthen our competitive position in the marketplace. In order to retain the value we have created, protect the integrity of our sourcing priorities, and support the success of our member co-ops, we want to be able to develop products under an NFCA brand, available exclusively to our members.

Farm to Freezer has been an invaluable learning experience as a pilot project, and we

are now focusing our attention on a few key obstacles to long-term viability. Although we have a dedicated following, pricing continues to be a challenge, especially when compared with national brands of much greater scale. Control over distribution is a central bottleneck, slowing not only the development of this project, but also our ability to expand our regional sourcing activities in general.

While our food co-ops face the challenge of accessing local products, producers of those products often face difficulties in getting them to market. In this lies an opportunity. As we have explored the question of distribution, the NFCA has made a priority of collaboration with other co-ops such as Deep Root Organic Co-op. Our affiliation with the New England Farmers Union (NEFU) also reflects our commitment to partner with producers in addressing policy issues, as well as food system development and

promotion of cooperative enterprise.

Exploring cooperative distribution

Looking forward, the NFCA has worked with Deep Root and NEFU to obtain a Value-Added Producer Grant from the U.S. Department of Agriculture to explore the feasibility of a distribution co-op jointly owned by food co-ops and supplier co-ops. Crucial matching funds for the grant came from CoBank, a national cooperative bank that is part of the Farm Credit system.

Certainly there are philosophical reasons for this cross-sector approach to regional food-system development. The sixth principle of the Statement of Cooperative Identity asserts that one of the most effective ways that we can grow our movement and serve our members is collaboration with other co-ops within and across sectors and industries. The United Nations' Year of the Cooperative also provided fresh perspectives on the impact of our movement, while the International Cooperative Alliance Blueprint for a Cooperative Decade has challenged us with an ambitious vision for growth.

There are also pragmatic reasons for collaboration among co-ops that relate primarily to the goals of efficiency, sustainability, and impact on the wider food system. From the NFCA's perspective, it is more feasible to plan with a group of farmers than with each one individually. For the producers, the co-op model enables them to reduce duplication of effort, share infrastructure, and focus on collaboration rather than competing for shelf space. If we want to collaborate with producers on a regional level, the cooperative model is one of the most effective tools we have for achieving scale while maintaining local ownership and control. In this sense, cross-sector collaboration is a strategic choice that supports more democratic, sustainable, and resilient local food systems.

Working with other sectors strengthens food co-ops in the marketplace by reinforcing the idea that cooperation is relevant beyond the niche of natural food retailing. As Secretary Ross noted, it is a model that can create change across the food system and economy, from producer to worker to consumer. Together, we can increase business success, communicate our difference, and demonstrate our shared impact across the economy.

In collaboration with Deep Root Organic Co-op and the NEFU, the NFCA is embarking on the next stage in our regional sourcing work, exploring a cooperative approach to revitalizing local food systems. A key question will be the degree to which co-ops of different sectors fully recognize their common interest in building a more healthy, just, and sustainable food system. Whatever direction this process takes us, we will have gained a deeper understanding of the potential of cooperation in responding to the challenges and opportunities before us. ■