



# Local Produce Food Co-op

This project explores the economic viability of a local produce food co-op. By working to understand the current gaps in product availability, the local production capacity and the amount of community support for local produce, the study offers insight to community members for the future development of a co-operative venture.

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## **CO-OP**

### **UNDERSTANDING A CO-OP**

The “Statement for the Cooperative Identity” was written and approved by the members of the International Cooperative Alliance in 1995 stating, “Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.” A co-op in more concrete terms is a business voluntarily owned and controlled by the people who use it. It operates solely for the benefit of its members’ *mutual* needs. But, because a co-op is a business, it requires the same planning and commitment needed by any other to function properly; to a person outside of the co-op’s membership, it should resemble any other business<sup>i</sup>.

### **A FOOD CO-OP**

Food co-ops are typically started for one of two reasons, either prices are too high and could be brought down by a community-run market or they are used to purchase hard-to-find produce such as organics or ethnic food. Since their emergence, they have become useful in building community-centered enterprise. It is for this reason a co-op could be a beneficial structure for a locally produced marketplace in Geneva.

Co-ops by definition reflect the desires of the community as well as help to fill a gap in services that other businesses have not addressed. Geneva, NY sits right in the center of some of the best agricultural land in the nation. As of 2002, there were 7,660,969 acres of farmland in New York State.<sup>ii</sup> However, I will show that there is a significant gap in the availability of locally produced food in retail locations.

The reason I will advocate for a co-op structure is to ensure the formation of a concrete foundation on which this operation can depend. Because this is a niche market, there will be a reliance on a core group of a community of owners. A co-op organizes this group of people into shareholders, further solidifying their commitment to the operation while ensuring a reliable income stream. Co-ops can be difficult to start and even more difficult to maintain, it would help to ensure a continuum of support throughout the year as well as serve to connect local residents with the local farm culture.

Because of the democratic nature of the co-op, it can be incredibly difficult for decisions to be made, however each member of the co-has the obligation to uphold the values core to all co-operatives. By taking the time to sit and listen to *all* member ideas as well as the dissenting opinions, co-ops have the potential to be equally innovative and disastrous. By understanding the experiences of co-ops in the area and by working to see what worked as well as what didn’t new co-ops can avoid the same mistakes as well as learn from their successes.

## **GREENSTAR**

One of the most successful co-ops in the area is GreenStar Natural Foods Market in Ithaca. Ithacans looking for access to whole foods started GreenStar as a buying club in the spring of 1971. It was initially member run and organized. This took no small amount of dedication from the membership who took turns driving to Syracuse to pick up the wholesale orders, return, sort and distribute the produce. By that same fall there were over 1,000 members and the system became a tangled web of responsibilities. Over the next three years the buying club continued to expand at which point it was decided a structure in which they could store their ever growing supply of non-perishable items was needed.

The buying club moved storage from various members' garages into the Greater Ithaca Activities Center's basement. Because of the presence of extra bags of grains and non-perishables, members soon began purchasing the overstock products on the spot. This quickly gained favor over the pre-order system and the first step towards a storefront operation began. In 1974 a membership fee of \$2 was enacted to pay for the costs incurred at the store. As the "grain store" grew in popularity the club began considering hiring staff. After several very heated debates over several very hectic years the co-op hired its first part-time organizers in 1979. Because of the disagreements between those favoring the pre-order system and those favoring a store, the buying club decided to split at the end of 1982.

The store was named GreenStar; it flourished while the pre-order system slowly became obsolete. Staff was hired in a collectivist structure, that is, each worker had equal hours and equal pay. It has continued to change and expand as necessary and persists today in two separate locations.<sup>iii</sup> The lessons that can be learned from GreenStar are that no co-op is born quickly, no co-op is organized flawlessly, and no co-op is created without fierce debate. By taking time, understanding the market, respecting the wishes of the membership while accepting certain harsh realities GreenStar has succeeded.

## **STRUCTURE**

The structure I suggest for the Geneva Co-op is the following:

- The co-op is open to both members and non-members.
- An equity investment is required to join, this investment allows this person to become a member
- Members control operations through a democratic voting system
- Members are to be given special benefits such as weekly discounts as decided upon by the membership

The co-op will be established through the creation of a buying club. A buying club is a group of people who come together to make a wholesale-sized purchase from a producer to ensure lower cost. This is also beneficial for the producer as they receive a

commitment from the community for a large portion of their produce. A buying club is often recommended as the first step for the formation of a co-op because it organizes interested individuals, it is not cost prohibitive and it helps people visualize the potential of a future co-op. Most co-ops learn valuable lessons that will help ensure the success of a future storefront operation while building interest in the larger community.

It may be advisable for members of the buying club to have options in what kinds of produce they wish to purchase. By requiring a certain amount of money to be spent per unit of time (per week, per month, per season—whatever seems appropriate) the club can ensure a more attractive financial commitment to the producers. Also, by tracking the choices made by the membership and by tweaking the requirements as necessary, the co-op's organizers can gain a better understanding of the wants and needs of consumers.

It must be noted that there are several downsides to a buying club. It is rare to have a paid organizer and much of the work falls on the more dedicated members of the group. However, as the group expands and as plans for a storefront operation materialize, it may be worth the investment to bring in an experienced manager. Buying clubs also lack a storefront from which to work out of. This requires either a member allow for the public use of their garage as a distribution point, or requires that a community center donate space to the buying club. Because most available locations do not have refrigeration, the buying club must also have a set time for distribution so the food does not spoil (or in the upstate New York winter—freeze) before making it to the table. This can be difficult for the elderly or those without ready transportation. Therefore, the location of this distribution point should be carefully considered and any problems that may arise should be discussed and where possible, addressed. The lessons learned from this experience should also be reviewed when looking for a storefront location.

This buying club, after a sufficient amount of interest has been generated in the community, should proceed to select a steering committee. This committee should be people both committed to the success of the co-op and those who have experience as business owners or managers. This committee will conduct market research to evaluate when and if this buying club can expand to form a storefront operation. If it is decided that the club should proceed with plans to expand, a board of directors should be elected to organize fund raising to cover the costs of incorporation, the creation of a business plan, and the initial start up costs.

A co-op is a business like any other in terms of its needs. Where a traditional business relies on capital to finance the start up costs of a new business, so too does a co-op need such resources. This capital is initially funded by the purchase of equity by members; this amount is typically around \$200 per membership. I will suggest an equity share of \$200 for an individual and \$250 for a household (allowing up to two names on the shareholder's ticket). Unlike purchasing shares in a typical start-up, multiple contributions do not mean multiple votes. Each member is given one vote regardless of their financial generosity; in this way co-ops help to prevent the alienation of the majority of shareholders by a powerful few. Where necessary, this equity may be paid out over a period of time to make it less burdensome, as determined upon by the board of directors.

The Co-operative Grocers' Information Network offers guidelines to new co-op start-ups in terms of the kind of financing they should expect to have to be a successful venture. They recommend the member-share ratio, which is how much of the co-op's assets are financed by member investment ( $=\text{total member investment}/\text{total assets}$ ) be between 20 and 30% of required capital. The member-equity ratio, which is the total amount of the co-op assets are financed by retained earnings and member investments, ( $=\text{total equity}/\text{total assets}$ ) should be between 30 and 50%.<sup>iv</sup> Specific suggestions about membership structure and member loans are found in the appendix. Before committing to anything financially, the co-op should issue an article of incorporation, just as any business should, to give it legal standing and to protect the members from any unfortunate financial events that may occur.

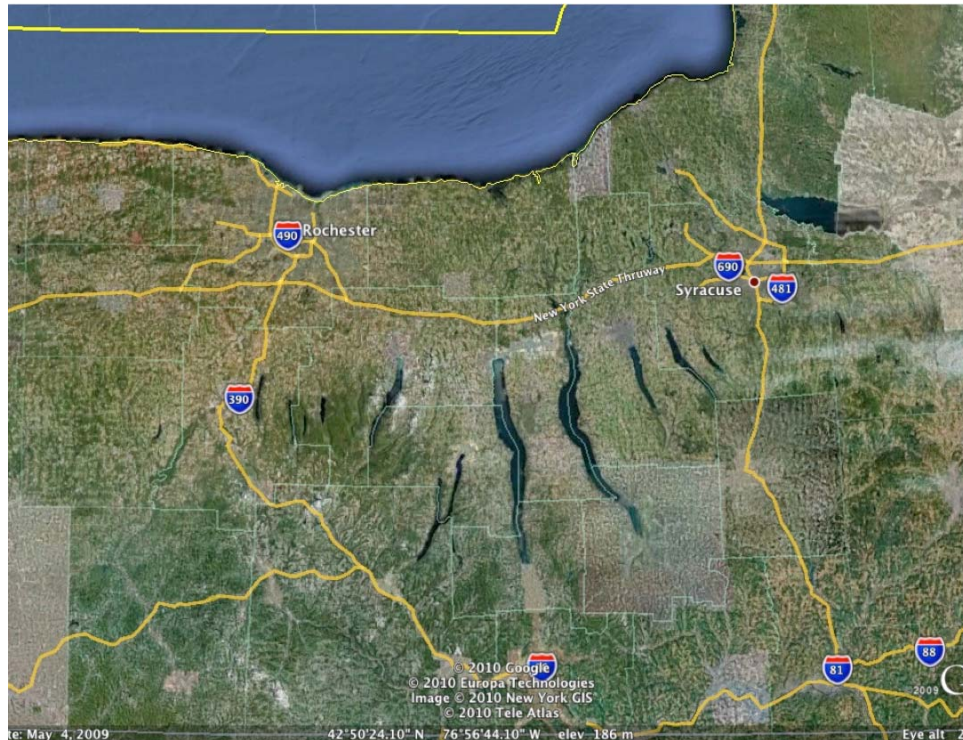
If the capital required to cover start-up as well as predicted initial losses is not raised by membership and supporters there are several options that may be pursued. The first option is to create member shares, the board of directors determines the number of shares needed to cover costs and allows members to purchase these shares as one would purchase stock on the market. This investment gives each member the rights and responsibilities of an owner. The second option is to create equity through the solicitation of donations, grants or in kind donations. This can be achieved through fundraisers, which will simultaneously gain publicity with the public as well as raise funds. Another option to raise capital is through member loans. Loans may be created within the membership as an alternative to the stricter, higher interest loans offered by many banks. This is something that should be very carefully considered by both the board of directors and the membership as a whole if the capital cannot be raised in another way.

## TERMINOLOGY

There are many terms currently being employed to qualify the production and distribution of food. These can be complicated and need to be addressed in order to understand the most desirable focus. What does local mean? Sustainable? Organic? Each has its benefits and each its pitfalls.

### LOCAL

Local foods are difficult to identify. Typically the term “local” means any foods grown within 100 miles of their distribution point. Ideally local foods are not processed, this often requires chemicals and plastic packaging, neither of which can be considered sustainable. When deciding which farmers to support, their location should be a major factor, the closer the farmer to the distribution point, the lower the amount of carbon emissions being spent to transport the food. However, even locally produced foods can be harmful if they are not grown in a sustainable way.



*This space shows the 100-mile radius around Geneva, NY.*

### SUSTAINABLE

Sustainable agricultural production implies that the produce has been grown in a way that does not harm the environment, is healthy, is humane and is grown with the expectation that workers have been paid a fair wage. Foods that are grown using pesticides, hormones or with factory farming methods would not be considered sustainable even if they do fall within the local sphere.<sup>v</sup>

## **ORGANICS**

Organic is a buzzword that has been around for many years now. Today, organics are regulated by the USDA and must meet very specific and strict criteria to qualify for this designation. Organic foods must not contain hormones, antibiotics, or chemical pesticides. Meats may not be irradiated, which is a process of exposing meat to radiation to kill off bacteria, insects and viruses. Organic foods are a great, earth-friendly process however, many small farmers cannot afford to meet the strict guidelines of the USDA. They may, therefore, produce food in a very healthy and sustainable way while lacking the certification.<sup>vi</sup>

## **ROLE OF THE CO-OP**

The role of the co-op is to flesh out which of these production methods are most important to the community as well as which among them is most realistic for the future co-op. By debating these ideas, community members will become themselves the experts on such issues. Part of the co-op mandate is local education. Through the buying club/co-op local producers as well as city consumers can come together to better understand each other's needs. Farmers should be invited to explain their perspectives on sustainable farming and to help the public become more aware of the realities of local food production. The farmers can help the group decide upon the (un)necessity of the use specific measures, such as pesticides or antibiotics in this particular region. Producers can also gain insight into their most important market: the one they share with their neighbors. Ultimately, the co-op should work to raise awareness in the area of the production methods they deem desirable as well as the benefits of making the shift from mass-produced produce to locally grown and supported agriculture.



## THE MARKET: NATIONALLY

To entice producers to involve themselves in a co-op and to offer preferential pricing, there needs to be sufficient evidence that there is a demand in the community. The local statistics are only calculated every 10 years during the census. While there is a census being conducted currently, these numbers will not be available for some time. Using the national numbers is problematic when putting together a business plan because they miss the specific characteristics of the local economy, but in terms of understanding on a general scale the possible market, these numbers can be beneficial.

That said, the economy has undergone a significant amount of change in the past two years. By looking at 2002 (the year of the last significant economic downturn) and comparing them to 2008 (largely unaffected by the economic collapse that occurred only in the last fiscal quarter) we can gauge the expected fluctuations in the amount of income spent on foodstuffs.

Nationally, the amount of money spent on food breaks down thusly:

### Amount of income spent on food, fruits and vegetables<sup>vii</sup> (2002)<sup>viii</sup>

	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
<b>Income</b>	\$9,952.00	\$25,326.00	\$44,268.00	\$70,822.00	\$145,251.00
<b>Amt. spent on food prepared at home</b>	\$2,577.00	\$3,215.00	\$3,663.00	\$4,406.00	\$5,402.00
<b>Amt. spent on fresh fruit</b>	\$136.00	\$193.00	\$220.00	\$241.00	\$283.00
<b>Amt. spent on fresh vegetables</b>	\$136.00	\$193.00	\$220.00	\$241.00	\$283.00

### Amount of income spent on food, fruits, vegetables (2008)<sup>ix</sup>

	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
<b>Income</b>	\$10,263.00	\$27,442.00	\$47,196.00	\$74,090.00	\$158,652.00
<b>Amt. spent on food prepared at home</b>	\$1,087.88	\$2,524.66	\$3,822.88	\$5,482.66	\$9,201.82
<b>Amt. spent on fresh fruit</b>	\$61.58	\$137.21	\$188.78	\$296.36	\$475.96
<b>Amt. spent on fresh vegetables</b>	\$61.58	\$137.21	\$188.78	\$296.36	\$475.96

According to the 2000 census, the median household income in Geneva is \$31,600. While the amount of money spent on produce has decreased significantly since 2002 for the lowest 20% and increased equally significantly for the highest 20% when looking at fresh fruit and vegetable sales, the numbers have stayed quite consistent for the Second and Third 20%, which reflects the majority of Geneva's income base.

These numbers are problematic. For the second quintile (in 2008), this breaks down to only \$2.63 per week for vegetables and \$2.63 per week for fruits—hardly enough to cover the cost of a head of romaine or a bag of mass-produced grapes. This does not change much with the third quintile income earners who spend only \$3.63 on each fruits and vegetables. This needs to be carefully explored on a more local level. The question must be asked; will Genevans be spending more than the national average of \$2-3 each week for produce? These numbers do not reflect what is necessary, per the Food and Drug Administration, to maintain proper health. By exploring those numbers we can see in what ways these numbers are missing what it requires to be *healthy* in modern society.

	Servings <sup>x</sup>	Serving Size	Price per serving	Price per day
<b>Grains</b>	8	1 oz	\$0.10	\$0.83
<b>Vegetables</b>	5	1 c raw leafy/ 1/2 c chopped	\$0.14	\$0.68
<b>Fruits</b>	5	1 medium sized (here .3lbs)	\$0.69	\$3.45
<b>Milk</b>	3	1 c	\$0.19	\$0.56
<b>Lean meats</b>	6	1 oz	\$0.34	\$0.63
<b>Nuts/Seeds</b>	5	1 oz	\$0.31	\$0.31
<b>Weekly total</b>				\$6.46
<b>Weekly cost for family of four</b>				<b>\$25.84</b>
Grains: pasta, whole wheat bread				
Veggies: asparagus, baby carrots, spinach, green beans, broccoli				
Fruits: tomatoes, apples, oranges, bananas				
Lean meats: salmon, tilapia, chicken, beef shoulder, pork loin, strip steak, whole chicken, eggs				

Unfortunately, these numbers do not look significantly more promising; by looking into specific local trends we can better identify the needs of the immediate community rather than the nation as a whole.

**Amount of income spent on cereal, cereal products, meats, poultry, fish, eggs and dairy (2008)<sup>xi</sup>**

	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
<b>Income</b>	\$10,263.00	\$27,442.00	\$47,196.00	\$74,090.00	\$158,652.00
<b>Cereal/Cereal Products</b>	\$51.32	\$109.77	\$188.78	\$222.27	\$475.96
<b>Meats/Poultry/Fish/Eggs</b>	\$246.31	\$631.17	\$896.72	\$1,185.44	\$1,903.82
<b>Dairy</b>	\$133.42	\$274.42	\$424.76	\$592.72	\$1,110.56

When looking at this data, we can see how it may be beneficial to combine fresh produce with cereals, meats and dairy. Looking at the second quintile, they would spend \$2.11 on

cereal products, \$12.13 on meat, poultry, fish and eggs and \$5.27 on dairy each week (\$19.51 per household per week). The third quintile would spend \$3.63 on cereal products, \$17.24 on meat, poultry, fish and eggs and \$8.16 on dairy (\$29.03 per week). This makes a strong case for the inclusion of a variety of kinds of produce, for example meats, dairy, fish and grains alongside the traditional fruits and vegetables.

## **THE MARKET: LOCALLY**

The Geneva Farmer's Market is held every Thursday from 7:30am-1:00pm in the Exchange Street parking lot from June through October. This past year, it received on average 450 customers—more than any other downtown business. Because 80% of the produce is local, this is a good place to look when working to understand local interest. Hobart & William Smith Colleges student research from the summer 2009 indicates, "... the average customer is from the Geneva area, they do not shop at other markets (no competition for vendors), they learned about the market through word of mouth, they shop mostly for produce...they have an income of either less than \$15,000 or greater than \$60,000."<sup>xii</sup> And, while this is a limited survey, this gives us an indication of who in Geneva is most interested in and dedicated to locally produced food.

The Farmer's Market in Geneva has been continually expanding since official tracking began in 2004. Since 2008 there has been a large shift from Weekly Vendor status to Season Vendor status indicating that it has finally become profitable to pay for and staff a stand at the market. Unfortunately, there has not been tracking of total revenues, volume of sales or producer profits, but this information could be useful to understand how much money is being spent by consumers and should be solicited from the market manager when and if tracking occurs.

### **NORMAL BREAD**

Normal Bread is a locally owned bread shop run by Dustin Cutler on the corner of Washington St. and Poultney St. that specializes in organics. Dustin is not your typical cutthroat American businessman; he enjoys the small size of his operation, which he characterizes as both manageable and successful. He has been able to avoid incurring the costs of paying staff while maintaining a predictable and healthy level of sales. The bulk of his sales are done out of his Washington Street store. He has contracts with several local businesses such as the Red Dove Tavern on Exchange Street, Billsboro Winery on Route 14 as well as Glenora Wine Cellars in Dundee, which he describes as a bonus, but not the core of his sales.

When choosing a location, Cutler ruled out several in the downtown area citing their lack of available storefront parking, "People aren't going to drive around the block to look for a spot just to buy a loaf or two of bread." His Washington Street location gets some travelers on foot but the convenience of his storefront parking ensures customers quick access. When asked about his customers, he stated that there are many from Geneva proper however, there are also many who come once a week from the surrounding areas and load up on bread. In his own experience, there are many people in the area who truly care where their food is coming from and how it was grown and prepared, and most importantly, they are willing to pay for it. With some loaves priced at \$6.75 (as of April 2010), this is a store catering to a niche market.

When asked what advice he would offer to a fellow business, he stated that the organizers must be ready to support the operation for a minimum of two years. He has found that

people now know his peculiar hours and are willing to make the trip to purchase his products, but said that it was two years before he really saw his core market solidify. There is support for this kind of operation in the area, he says, you just have to give them time to find you and understand your hours. He advertizes mainly by word of mouth and through his corporate contracts. He also donates his extra bread to the local food bank, earning him sentimental support from the community. The only place that he pays for advertisement is in the *Edible Fingerlakes* magazine, a seasonal culinary magazine run out of Ithaca. He says it is currently the only reliable place where he can reach customers who are truly interested in his product.

## FELLENZ CSA

Another indicator of local interest is Andy Fellenz’s CSA. CSA is short for Community Sustained Agriculture. A CSA is a sort of buying club, however rather than putting in orders to multiple vendors, there is one farm being supported. Fellenz’s CSA first got started in 2004 in Canandaigua and expanded to Geneva in 2005, it is NOFA-NY Certified Organic produce that is delivered over the course of the late spring, summer and early fall seasons to Trinity Church on South Main Street for pick up once a week. Community members purchase shares in the venture, with two sizes to pick from—small and large—and with multiple seasons to choose from.

	May	June	July	August	September	October	November	December
Main	19 <sup>th</sup>					27 <sup>th</sup>		
Summer	19 <sup>th</sup>			25 <sup>th</sup>				
Fall					1 <sup>st</sup>			1 <sup>st</sup>
Extended	19 <sup>th</sup>							1 <sup>st</sup>

Community members pay a fee of \$50 to enter the CSA and then pay, in bulk for the season they choose, what breaks down to \$20 per week for a small basket or \$25 per week for a large basket of produce. The members receive a share of the produce harvested each week; they share the risk with the farmer, but will also share his bounty.

There is the question as to if the existence of the CSA will draw away much of a co-op’s supporters. Because the CSA is during a limited season, the season in which the farmer’s market flourishes, I would believe that no, it would not be lacking in customers. The farmer’s market is also limited in its availability since it is held only once each week, and only for a few hours in the morning. Because both the CSA and the farmer’s markets are held only during peak season, the co-op’s continuance throughout the winter which will allow for the creation of a more solid customer base. The CSA also requires an up-front payment of the weekly fees, making it inaccessible to customers with a less than perfect cash flow. This is perhaps the largest down side of the CSA, because the producer needs a financial commitment from customers, lower income families are left out.

Realistically, the co-op will also likely be supported initially by those community members with both a strong commitment to healthy, local, sustainably produced food as well as those members who possess a disposable income. This process will also take an

extraordinary amount of effort and time on the part of the organizers. These realities cannot be overemphasized—one of the most important things to keep in mind during the implementation of the buying club and perhaps the co-op is that realities can be ugly and difficult, but that does not mean that they should be ignored nor does it mean that they can never be overcome. Successful co-ops are formed in the same way that successful businesses are formed; they are based in reality and not in desire.

The largest difference among the Wegman's summer produce, the CSAs and the Farmer's Markets is the length of availability and the ease of access. The co-op aims to be a year-round operation, offering those who do not have the time to commit to driving to multiple locations to pick up foods from local producers. It also does not require a financial commitment from non-members, making it far less burdensome for low-income earners. By bringing the disparate producers into one location and by offering their products on a regular time schedule, out of an indoor location the co-op can fill the current gaps in accessibility and availability of locally produced foods.

### **WEGMAN'S LOCAL PRODUCE**

From the beginning of May until mid-October Wegman's has a variety of locally produced foods available for purchase. This is a program sponsored by Corporate, yet local produce managers are individually responsible for building a network of farmers in their area. Speaking with Doug Foose, who is the current produce manager, he explained that there is a real commitment to local producers, stating that with only one exception the producers harvest within 20 minutes of Geneva. They typically work with between eight and 10 producers, with a strict focus on fruits and vegetables.

To ensure a continual availability of seasonal produce, there is a network of secondary growers. When last season, hungry crows wiped out the primary farmer's corn crop, Corporate Wegman's was able to link Geneva's store with a producer in the Rochester area. And, while it is preferable to have produce from the area, bringing in a truck of corn from Rochester is significantly better than a plane-full from Nebraska.

While this program is to be lauded for its attention to community, it is also a strictly seasonal program. There is not currently a commitment to organics, nor great attention paid to growing techniques—something that may or may not be problematic depending on the practices of the farmers themselves. Ultimately, this is not a substitute for the type of storefront operation being considered.

## LOCAL CAPACITY FOR PRODUCTION

### PRODUCE

A buying club would benefit many producers in the area. The group should work to understand what kind of products the buying club members are interested in purchasing. With this information, local vendors should be contacted and given the opportunity to make a bid for a contract to the group. This would most typically be some combination of meats, dairy and produce. Upstate New York is, for a large part, farm country. There are thousands of producers state-wide and dozens locally. At the 2009 Geneva Farmer's Market alone there were more than 40 different producers. And, while a storefront operation would most likely not rely on 40 separate farms/producers, there is certainly no shortage of options.

Currently however, there is the question of the availability of produce throughout the winter. Several farmers in the region have begun to use greenhouses and hoop houses to extend harvests and consistent quality throughout the growing season. Andy Fellenz has been using hoop houses since 2003 and has decided to increase their use this year and is planning more for the early spring of 2011. Hoop houses increase the yield and extend the season for fresh produce. Because the hoop houses offer a more stable temperature as well as protection from the extremes of New York's weather, Fellenz says that he has been able to begin planting significantly sooner and will be able to continue to grow crops deep in to the fall. He explained that the crop rotation could be sped up due to this more stable atmosphere saying that where he can expect 3 crops of spinach outside, he now is able to obtain 5 from the hoop houses. In April 2010, he began planting during the first week, finishing in the second and expects to harvest by mid-May. These are currently salad greens, and he expects to expand his planting the following week to include fruits.

While this will make the edge seasons more fruitful, this practice is not as useful in the winter for two reasons. First, the houses can trap cold as well as heat, which turns them into refrigerators in the coldest months. Second, he explains that even when the ground is not frozen and the weather not too cold, the simple lack of sunlight is enough to significantly inhibit the growth of produce through the depths of the winter months. For a storefront operation, he suggests the sale of roots throughout the coldest months but says that once he is able to plant, he sees no reason he could not increase his yield to meet the needs of the business.

According to Judson Reid from the Cornell Vegetable Program, there are many smaller farms using a greenhouse to begin growing plants a few weeks earlier than could be accomplished outside. By choosing heartier vegetables, there is not the need to heat these greenhouses therefore saving fuel costs (and maintaining the commitment to both local and *sustainable*.) They then are able to transplant these plants into the ground as early as February (depending on the thaw) and these plants will come to fruition much earlier than through traditional methods.

Additionally, some farms use grow lights to supplement the lack of sunlight throughout the winter, however this is extremely expensive process and, for most small farms, cost prohibitive. According to Reid, there are only about five to 10 farms in the state currently using this process and nearly all are what can be termed industrial farms. This is an issue that members of the buying club must work to understand before expansion to a storefront operation. Without sufficient local and sustainably grown products at a reasonable price, there will be a major decrease in revenue in the winter months. Ultimately this operation is meant to be a solution to the gaps currently found in the area CSAs, but without continued availability regardless of season, the co-op will not be a successful improvement on the CSA model.

## **MEATS**

McDonald Farms, owned by Peter McDonald, grows environmentally sound and humanely treated meats. Currently he has several contracts in the area, only producing what he knows he can sell at the end of the season, “Our practices provide the cleanest food on the planet, an easily attainable goal for any farm, but it does take longer to grow stock this way, and most farmers want the quick way and so feed beef and lamb grains to accelerate their growth. Since we only feed clean pastures and no grain to beef and lamb, the product is far more healthy for consumers, and the price is a little higher, but the practice is both sustainable and ecologically sound.” This will be an alternative to produce stocked by most corporate markets and will serve to provide a continuum of local and fresh product throughout the lean winter months. In addition to meats, local dairy products including milk, eggs and artisan cheeses as well as fish and perhaps specific game animals could be made available as decided upon by the co-op.

## **FILLING IN THE GAPS**

Currently the Fellenz CSA is filling much of the gap for local produce, though residents are still not easily able to access locally and sustainably raised meats. The down side of the CSA is that it is not as flexible as may be desired. Supporters are given what is grown that week, and while this helps to raise interest and awareness for seasonal variations of produce, there are often entire weeks where a family receives multiple pounds of salad greens and not much else. Additionally, for lower income families the CSA is cost-prohibitive. A co-op offers individuals the ability to choose for themselves what kind of produce they and their families will enjoy. While this is restricted in a similar fashion in terms of seasonable availability, the variety of choices will be greater. This co-op could include dairy products such as milk, eggs and cheeses, there could be multiple meats, canned products, local juices as well as root vegetables that are available year round. And, while there are be fees involved initially in the formation of the co-op, any community member can have access to the food stocked in the market. If desired, the co-op can become more accessible to low-income families by accepting government food assistance programs. There simply is not any storefront operation of this nature in Geneva.



## CONCLUSIONS

1. Create a buying club:
  - Allow those interested in such a store to come together as a group
  - Identify strength of local market
  - Organize responsibilities
  - Articulate goals, specific commitments
  - Mitigate issues that arise
2. Use a co-op structure:
  - The democratic nature allows for community interaction
  - Co-ops must educate as part of their mandate, allowing for local education
  - They integrate many different backgrounds and are accessible to all
3. Survey must be conducted
  - The data included here is insufficient for a business plan
4. Attention should be paid to the pricing of products, they *must* be competitive in the market
5. Optimism is no substitute for a sound business plan
6. Reach out to successful co-ops in the area and explore their experiences
7. Invite farmers to participate in group debates to better understand their production capacity and farming practices
8. Explore multiple finance sources
  - Explore federal and state grants, they change often
  - Explore small business loans and grants
  - Enlist a community member with experience in business planning, grant writing
  - Enlist a community member with legal expertise
  - Identify local lenders with a commitment to and understanding of co-ops and their practices (e.g. Credit Unions, National Co-operative Bank)

## APPENDIX

### **FEDERAL GOVERNMENT’S FARMERS’ MARKET PROMOTION PROGRAM (10.168)**

This is a grant offered by the federal government for up to \$75,000. It is intended to “*increase domestic consumption of agricultural commodities, assist in the improvement and expansion of domestic farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities; and develop, or aid in the development of, new farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer infrastructures.*”<sup>xiii</sup> This is a one-time application process for a one-time grant disbursement.

### **COOPERATIVE GROCERS’ INFORMATION NETWORK**

<http://www.cgin.coop/>

CGIN (Cooperative Grocers’ Information Network) is a membership organization founded to support the growth and development of food co-ops. Given the increasingly competitive climate all food co-ops operate in, CGIN aims to help co-ops maximize their collective resources and keep them, as independent groups, from being put at a competitive disadvantage. Our purpose is, *To strengthen all retail food cooperatives by creating community and facilitating the sharing and development of resources among members.*

### **NATIONAL COOPERATIVE BUSINESS NETWORK**

<http://www.ncba.coop/>

NCBA is the nation’s oldest and largest national membership association, representing cooperatives of all types and in all industries. We are democratically organized and operate according to internationally recognized cooperative principles. Our comprehensive programs helps co-ops strengthen their businesses so they can better serve their members and transform the global economy.

### **COOPERATIVE DEVELOPMENT SERVICES**

<http://www.cdsus.coop/foodcoops>

CDS is affiliated with a group of independent consulting professionals experienced in developing food cooperatives. The consultants specialize in working with food cooperatives to achieve growth, increase profitability, improve board leadership, strengthen management, and fully serve their members and community. This is done by focusing on assessment, planning, resource access, training, coaching, support, and continuous improvement of food co-ops.

## GENEVA FARMER'S MARKET PRODUCERS 2009

Business	Contact Person	Cell Phone	Product	Type
<b>SEASONAL VENDORS</b>				
Livermore Farms	Livermore, Ken	315-945-1510	Produce	Season
Lagoner Farms	Lagoner, Jake	585-319-0993	Produce	Season
Yellow Barn Farm	Selerno, Anne & Smart, Stuart		Produce	Season
31:21 Covers / Grace Grains	Slocum, Marcelle	585-278-7145	Baked Goods/Crafts	Season
Grandma's Soaps	Rydman, Margo	315-694-2783	Soaps / Puzzles	Season
Matulewicz Nursery	Matelwicz, Cathy	315-536-7155	Perennials	Season
Cheryl Kleist Distinctive Designs	Kleist, Cheryl		Jewelry	Season
Seneca Vegetable	Whitwood, Walter	315-416-4263	Produce	Season
Millers Plants	Miller, Jim & Kathy	315-521-8584	Produce	Season
Parker Nursery	Parker, Lloyd	315-331-4617	Produce	Season
Newt's Farm	Newell, Craig	585-202-7658	Produce	Season
Gale-Wyn	Munson, Phillip & Sandi	585-329-7666	Produce	Season
Maude's Treasures	Foreman, Marie	607-229-5430	Baked Goods/Crafts	Season
Chef Lerman Salad Dressings & Sauces	Lerman, Bonnie	315-694-2569	Salad Dressings / Crafts	Season
Nordic Farms	Whitney, Noreen	585-749-7097	Produce/Baked goods	Season
Muranda's Farm	Murray, Tom	651-0216	Cheese	Season
	Brooks, Taneisha Nichole		Baked Goods/Crafts	Season
Chaimamma's Creations	Brophy, Jeanne	315-521-3134	Crafts	Season
Alice W. Salisbury - artist	Salisbury, Alice	568-8485 (home)	Crafts	Season
EmClay's	Naioti, Mary Kay	585-737-9569	Crafts	Season
Hidden Rock Farms	Totman, Todd & Jeanne		Produce/Crafts	Season
	Schwartz, Ben	315-945-0744	Produce	Season
White Springs Winery	Costello, Patti	585-746-6273	Wine	Season
Betty's Handmade Home Décor	Davis, Betty		Crafts	Season
Jilly's Edible Gardens	Byington, Jill	651-0344	Produce	Season
Fish Farm	Fish, Michelle	585-747-4515	Produce	Weekly
Wilma's Caribbean Bakery	Phillips, Wilma		Baked Goods	Weekly
Call of the Wild	Wood, Linda	315-256-4555	Crafts	Weekly
<b>WEEKLY VENDORS</b>				
Handcrafted Keepsakes	Glenney, Deborah	570-854-0533	Crafts	Weekly
Fiddler's Greens	Fallon, Kit	315-521-9630	Produce	Weekly
Elmers Acres	Dodds, Elmer		Produce	Weekly
Cook's Farm	Cook, Pat & Dave	539-9695 (home)	Produce	Weekly
AJ's Beads-n-Stuff	Jordan, Anne	315-573-0938	Crafts	Weekly
Lehigh Farms	Brown, Dan	585-781-4132	Perennials	Weekly
	Parker, Marcolina		Crafts	Weekly
Jovi's Java	Heather or Scott	585-229-4397	Coffee	Weekly
Three Stone Farm	Quennell, Youngiee	607-272-2807	Produce	Weekly
Bontrager Enterprises	Bontrager, Will	585-289-9641	Produce	Weekly
Vermi - Green LLC	Heberle, Ryan	585-329-9410	Organic Compost	Weekly
The Little Barn	Swartley, Michele	585-526-6141	Crafts	Weekly
Organica Jane	Stewart, Amy Jane	585-261-2648	Body Care	Weekly
Tranquility Hill Farm	Soles, Darcey/Daniel	585-319-9064	Produce	Weekly
Joni's Creations	O'Donovan, Joni	315-759-5660	Crafts	Weekly
Oak Lane Bakery	Byler, Nancy		Baked Goods	Weekly

# **MCDONALD FARM**

**Romulus, NY**

**ORGANIC GRAIN FED EGGS**                      1 dozen                      \$ 4.00/dz.

## **PASTURE RAISED CHICKENS, ORGANIC, 100% GRASS FED**

Whole Chickens                      3-4 lbs.                      \$ 4.95/lb.

Chicken Necks                      3-4 lb. bags                      \$ 2.50/lb.

## **PASTURE RAISED LAMB, 100% GRASS FED**

Mini Rack of Lamb                      1.5-2 lbs 4-6 Ribs                      \$11.00/lb.

Leg of lamb, boneless                      3-4 lbs.                      \$ 9.00/lb.

Loin chops                      3/4 lb.                      \$12.00/lb.

Sirloin chops                      3/4 lb.                      \$10.00/lb.

Ground lamb                      1 lb pak                      \$ 7.00/lb.

Stew lamb                      1 lb pak                      \$ 7.00/lb.

Lamb shanks                      1 Per pak                      \$ 6.50/lb.

Lamb liver                      1 lb pak                      \$ 2.50/lb.

## **PASTURE RAISED BEEF, 100% GRASS FED**

Filet mignon                      2/paK 3/4 lb.                      \$18.00/lb.

New York Strip                      1" thick, 1/pak., 1/2-3/4 lb.                      \$16.00/lb.

Ribeye steak                      1" thick, 1/pak., 3/4-1lb.                      \$14.00/lb.

Flatiron steak                      1/2 lb.                      \$16.50/lb.

Boneless sirloin                      1" thick, 1/pak., 1 lb.                      \$14.00/lb.

Skirt steaks                      1 per pak                      \$10.00/lb.

Top round London broil                      1.5" Thick, 1/Pkg., 1.5-3 lbs.                      \$ 7.00/lb.

Chuck roast                      1.5-2 lbs.                      \$ 5.50/lb.

Shoulder roast                      1.5-2 lbs.                      \$ 5.50/lb.

Bottom round roast                      1.5-2 lbs.                      \$ 5.50/lb.

Rump roast                      1-1.5 lbs.                      \$ 5.50/lb.

Sirloin Tip roast                      1.5-2 lbs.                      \$ 5.50/lb.

Eye of round roast                      1.5-2 lbs.                      \$ 5.50/lb.

Ground beef                      1 lb. pak                      \$ 5.00/lb.

Briskit                      1.5-2.5 lbs.                      \$ 4.50/lb.

Stew beef                      1 lb. pak                      \$ 5.50/lb.

Osso bucco                      1.5" thick, 1/pak., 1 lb.                      \$ 3.50/lb.

Oxtail                      1-2 lbs.                      \$ 3.50/lb.

BBQ Short ribs                      1-2 lbs.                      \$ 3.50/lb.

## WORKS CITED:

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- <sup>i</sup> How to Start a Food Co-op, the Cooperative Grocers' Information Network, <http://www.cgin.coop>
- <sup>ii</sup> Fedstats, <http://www.fedstats.gov/qf/states/36000.html>
- <sup>iii</sup> <http://www.greenstar.coop/about>
- <sup>iv</sup> Cooperative Grocer's Information Network, *How to Start a Food Co-op*, <http://www.cgin.coop>
- <sup>v</sup> Sustainable Table [www.sustainabletable.org](http://www.sustainabletable.org)
- <sup>vi</sup> [www.organic.org](http://www.organic.org)
- <sup>vii</sup> Values in constant 2008 United States Dollars
- <sup>viii</sup> Bureau of Labor Statistics, *Consumer Spending Survey 2002*, <http://www.bls.gov/cex/csxshare.htm>
- <sup>ix</sup> Bureau of Labor Statistics, *Consumer Spending Survey 2008*, <http://www.bls.gov/csx/csxshare.htm>
- <sup>x</sup> US Department of Health and Human Services, *Dietary Guidelines for Americans 2005*, <http://www.health.gov/dietaryguidelines/dga2005/document/default.htm>
- <sup>xi</sup> Bureau of Labor Statistics [www.bls.gov/csx/csxshare.htm](http://www.bls.gov/csx/csxshare.htm)
- <sup>xii</sup> Laura Valdmanis, A survey of 40 individuals included in the report "From Farm to Fork: The Geneva Farmers' Market", Summer 2009
- <sup>xiii</sup> Federal Grants Wire, <http://www.federalgrantswire.com/farmers-market-promotion-program.html>