

# Solutions

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## Finding the Keys to Building a Local Food Program

BY PATRICIA CUMBIE

There are a lot of ways to approach the discussion about building sustainable local food systems, but for a lot of food co-ops, it often starts in the produce department. This is because that is the co-op's most visible and dynamic perishables department, and one upon which the store's reputation is often built. Through colorful produce displays and compelling marketing and storytelling, the food co-op's mission is front and center. It is the premier place to introduce customers to the benefits and value of supporting local agriculture. A strong local program can also boost a co-op's financial performance by distinguishing market position, building trust, having fresher product, and offering more variety with competitive pricing.

Competitors have also responded by touting local, but in some cases, their efforts appear to be more about hanging attractive posters of farmers in their stores, than being truly committed to selling locally produced food. As many food co-op retailers have discovered, having a local food program requires clarity of purpose, organizational resources, and attention to authentic relationships. It is a strong point of differentiation for food co-ops, and it brings to light the trust and communication necessary between farmers, co-op staff and customers for it to be meaningful.

Mark Mulcahy has worked in the natural food industry for 30 years, having begun his career as a produce manager before becoming a produce



Mark Mulcahy

consultant. He's one of the co-creators and presenters of the Rising Stars leadership training program, and has just joined CDS Consulting Co-op. Additionally, he's co-hosting a national radio program, An Organic Conversation ([www.anorganic-conversation.com](http://www.anorganic-conversation.com)) featuring discussions about local and organic food issues.

Mulcahy is a strong proponent of building local food systems and has been working with

retailers on developing local buying programs in produce departments. No matter where you are located around the country or whatever your climate, "everyone can participate," in a buy local program, Mulcahy said. Beyond produce, there is meat, dairy and other foodstuffs not as dictated by growing seasons, and it's important to promote those things as well.

Everyone agrees that "local" is a trend these days, Mulcahy said, but the important thing to note is that for mission-driven food co-ops it is about a lot more than simply procuring product. There are long-term benefits to be had economically and socially through educating consumers to connect with their food supply and support the local economy. Additionally, assisting local farmers in their efforts to grow and thrive helps food co-ops meet customer needs. "Food is more than just eating. People in the food co-op world know this. It's about community," Mulcahy said. Creating a strong local buying program at the individual retail level will enhance a broader strategic vision of

### Facts Are Key

The author Wallace Stegner lived in Grass Valley, Calif., the town where our case study co-op BriarPatch Natural Foods Community Market is located.

His best-known novel, *The Angle of Repose*, is named for a mining term (Grass Valley was a gold mining town) that describes the ideal angle at which waste will fall from a hill—not causing an avalanche, nor taking up wasted space. The book is about balancing acts, particularly in relationships. The terrain is equally a character, one whose soils are particularly described by Stegner.

Certainly Stegner wasn't thinking about building a sustainable local food system when he wrote his novel, but in a way, the book sends a powerful message about equilibrium, communication and mutual-ity. The fact that the land is so integral to the story mirrors the interests and concerns of food cooperators, farmers, and consumers who care deeply about supporting each other through agricultural abundance.

One of the people in the natural foods industry who has demonstrated that level of commitment and expertise to food and the land in his career is produce consultant Mark Mulcahy. We are pleased and thrilled to welcome Mark to the CDS Consulting Co-op team.

—Patricia Cumbie

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## Our Mission

CDS Consulting Co-op is dedicated to building and strengthening cooperative businesses by providing consulting, training and development services.

CDS Consulting is a network of independent professionals experienced in developing cooperatives. Our consultants have worked on over 500 projects and will tailor our services to fit your needs and provide solutions.

### Board Leadership Development

- CBLD—Cooperative Board Leadership Development
- Board training and facilitation
- Hire, evaluate and compensate your GM
- Policy Governance® and Accountability
- Member owner linkage

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- Consumer research

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- CoCoFiSt workshops
- Margin enhancement
- Labor controls
- Merchandising
- Management training, coaching, and support
- Customer service training
- Employee surveys
- Human resource systems—assessment, planning and training
- Supervisory skills and training

## Building a Local Food Program continued from page 1

building a sustainable local food system.

Food cooperators may have the best of intentions regarding their local program, but those activities need to be backed by organizational skill, resources and best practices. Mulcahy has identified three key areas for local buying program development and improvement, and these include fostering communication among all stakeholders, determining a fair price, and putting resources into developing a local food system.

### Communication

“Communication is essential to a good local program,” Mulcahy said, and often this begins first with the relationship between retailer and producer. Often stores are afraid to have the conversation about pricing or quality issues and yet this communication is absolutely essential to a successful program for the co-op and the farmer. The farmer may not want to hear that their chard is too small, or should have been handled better post-harvest, but if the co-op stops buying it then no one wins.

One of the things Mulcahy advocates for is that retailers deal with these issues long before the growing season starts. “It’s important to have that conversation. Starting a local program is not always easy. You have to create clear guidelines,” Mulcahy said. This is a critical part of a co-op’s buy-local operational aptitude, and one of the building blocks to a sustainable local food system. It takes coordination for both local growers and retailers to bring in the products the customers want, buy what the farmers can produce, that the co-op can reasonably sell.

At Whole Foods Co-op in Duluth, Minn., produce manager Michael Karsh said they began to implement operational changes six years ago to better do local buying. They developed a “wish list” that they send to area producers before the growing season, letting them know what they need and how much they are willing to pay for it. The wish list is based on sales data and movement reports to better predict what will sell in season.

After receiving information from the farmers, Karsh puts it in a database and figures out who they can buy from and how much they’ll produce. Since then, they’ve gone from working directly with nine local farmers to 45, and have

extended their local offerings as well as the local growing season (an important consideration in Duluth) through greater regional connections. Karsh admits local buying requires more from a produce manager, but the benefit of having an influence on the quality of product and delivering it to the customers is totally worth it. “The co-op has a unique role in being the go-between for the farmer and consumer, and everyone is better off for it,” Karsh said.

### Fair Pricing

On the top of everyone’s priority list is what to pay and what to charge for local foods. Mulcahy said that “a good deal is a good deal for all parties,” and that it’s important that everyone gets a fair price: farmer, retailer and consumer. “Often stores struggle with this issue,” he said. “Build your local program based on a fair price to everybody.”

*It takes coordination for both local growers and retailers to bring in the products the customers want, buy what the farmers can produce, that the co-op can reasonably sell.*

Sometimes a grower wants more for a product than what the co-op thinks people will pay, so it might request a lower price from the farmer, but create more overall profit through volume. Likewise, consumers need to see the value of contributing to the local economy through their purchases. This is one reason why having in place communication with farmers and educational outreach with customers is so important.

### Developing a Local Food System

“Those conversations about creating co-op systems will help you do a better job communicating with each other,” Mulcahy said, and he believes the next step in building a sustainable local food system will be predicated on a higher level of communication and networking. “We need to get beyond ‘I’m too busy’ to look at how we can help make that part of a produce manager’s job a powerful tool for working together.”

If everyone had grower guidelines, contracts, delivery guidelines and signage in place, “we could expand the conversation,” he said, to ways to benefit more local producers and retailers. “One of my goals is to create a produce university,” Mulcahy said, with a program that encourages networking and leadership as well as hands-on skills, making produce management an exciting and viable career. “We have to teach best practices, but also dream ourselves to the next level,” he added.



## CASE STUDY

# Expanding Micro-Local Purchasing Impacts

**B**riarPatch Natural Foods Community Market is located in Grass Valley, Calif., a town located in the foothills of the Sierra Nevada mountains and adjacent to the Tahoe National Forest. When the co-op decided a few years ago to concentrate on its local buying program, you'd think it would be really easy, and to some extent that's true. It's California after all—what isn't locally grown there?

Despite the state's legendary agricultural scene, Grass Valley historically wasn't a farming region. Grass Valley was home to the California Gold Rush a century and a half ago, and the economy until the 1970s was focused on mining. Food growing as an economic activity literally started from the ground up, with farmers augmenting poor soils and figuring out through trial and error what would grow well. With the right techniques, the area around Grass Valley has grown to include many citrus and olive groves, vineyards as well as agriculture and meat production. The co-op has also grown its capacity to sell what's local over the years, and some of what has happened in the area's agricultural development has been in partnership with BriarPatch.

What's considered "local" food at BriarPatch is that which is produced within a 20 mile radius of the store. "Regional" is defined as 120 miles. For other parts of the country, local may be defined more broadly within 100 miles, and regional within all adjacent states, for example. Yes, at BriarPatch it's strict, even by California standards, but intentionally so, according to the co-op's general manager, Chris Maher. "It wouldn't be a challenge otherwise," he said. One of the co-op's goals is to sell 15 percent of all goods from local sources.

One of the motivating factors Maher said is for the co-op is to "build a vibrant agricultural economy through robust producers." He said that the co-op's approach to sourcing local products has been a big evolution and a critical part of the mission. "It's crucial. The biggest thing we can offer producers is a way to be successful. We help com-



### **BriarPatch Natural Foods Community Market**

Grass Valley, California

Year founded: 1976

Number of members: 4,000

Member equity requirement:

\$200 per household

Retail square footage: 11,000

Number of employees: 130

Local Challenge, Come Home to Eat and the Nevada County Fair, with information, meeting space and grant money.

"We've started to reach a tipping point," Maher said about the impact this has had on the area, agriculturally, socially and economically.

"We have a very educated consumer at BriarPatch. They felt the victory of the organic standards, but they also see the downside, especially regarding economic changes. They understand the benefits of eating healthy and local and want to know where their money is spent," Maher said.

"I really got a sense of how passionate they were about their local program when I worked with them last fall," said Mark Mulcahy. "With their dedicated crew, they'll be able to take their program to the next level."

municate to them a realistic view of the marketplace," Maher said.

As such they've also worked hard on creating ways for other groups to interface with the farming community. The co-op supports the efforts of groups like Eat Healthy Nevada County, the Eat

## Member Loan Toolbox Now Available

The new Member Loan Campaign Toolbox is an incredible resource for any food cooperative considering an expansion or startup project. This toolbox puts everything you need know to launch a member loan drive in one place.

It contains a detailed explanation of how to set up and conduct a successful loan drive along with templates and examples of documents and forms that you can use. It is available for download in either PDF or Word format, depending on your needs.

Go to [www.foodco-op500.coop](http://www.foodco-op500.coop) and click on "Resources and Downloads" to access a copy of this new toolbox.

## Rising Stars 2010 Seminars

**February:** co-hosted by Takoma Park Silver Spring Co-op (sold-out)

**June:** co-hosted by North Coast Co-op, Arcata, Calif.

**September:** Midwest, location to be announced

**October:** Debuting an advanced Rising Stars seminar for Rising Stars grads. Mark Mulcahy, who has been part of the Rising Stars leadership team since it began, said, "We're very excited to share our new content. While our new seminar will lean naturally on the foundations of our basic Rising Stars course, we'll use a full mix of teaching formats—including plenty of role plays and small group exercises—to work through some of the more challenging but everyday issues in being a natural foods store department or store manager."

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