

# FOOD CO-OPS & HEALTHY FOOD ACCESS PROJECT

Cooperative Fund of New England & Neighboring Food Co-op Association

## FOOD CO-OPS & HEALTHY FOOD ACCESS PROJECT

Cooperative Fund of New England & Neighboring Food Co-op Association

### “*Food For All*,” a Program of City Market/Onion River Co-op

City Market/Onion River Co-op located in Burlington, VT has been serving its members and the larger community since it began in 1973 as a buying club. In 2002, the Co-op moved to its current location in downtown Burlington to occupy 16,000 sq. ft. of retail space leased to them by the city. Carrying around 75% natural and organic foods and 25% conventional, this store provides everything its customers, including its almost 8,000 member-owners (as of June 2012), could hope to find in a supermarket. To better serve those with limited means, who struggle with the higher cost of natural, organic, and fair trade items, City Market/Onion River Co-op developed its *Food For All* program.

#### The Program

*Food For All* assists those who are currently receiving 3SquaresVT, WIC, or disability benefits by offering them a 10% discount on their grocery purchases, except alcohol. In order to receive this discount, applicants must join City Market/Onion River Co-op. They can apply for a one-year renewable waiver on buying their share, but until they begin making equity payments, they can't receive patronage dividends or have voting rights. Requiring participants in the *Food For All* program to become members provides a discrete way for participants to receive the discount at check-out, as they simply swipe their membership card — like any other member — and the discount is automatically applied. Membership also allows the Co-op to easily track various data on the success of the program.

Since the program began in late 2008 it has been a major success. This is, in large part, because of the support of local nonprofits promoting the program to those with limited incomes. The relationships with almost a dozen of these local nonprofits has been the most successful technique for marketing the *Food For All* program and has vastly increased the number of participants. In the program's first 12 months, the Co-op had 578 new members taking advantage of the program. As of 2012, the Co-op has 1,148 individuals and families enrolled in *Food For All*. In 2011, the Co-op recognized sales of \$1.6 million through the *Food For All* program; this is over 5% of total sales for the Co-op. Marissa Parisi, Executive Director of *Food For All* partner Hunger Free Vermont, sees the program as, “allowing people to make their money go further, while providing other benefits that are unique to co-ops — such as food related education and bulk items that are culturally appropriate for diverse populations.” In addition to drawing in more US-born low-income shoppers, City Market/Onion River Co-op has also seen its program bring in a growing number of people from Burlington's large refugee resettlement population who are attracted to the Co-op's bulk items.



**City Market / Onion River Co-op**  
Burlington, VT

**Established:** 1973 (as a buying club)  
**Members:** 7,500  
**Annual Sales:** \$30 Million  
**Retail Space:** 16,000 sq. ft. of retail  
**Product Mix:** 75% Natural & Organic Products, 25% Conventional

## **The Cost to the Co-op**

Most of the cost of implementing this program was up front. Marketing the program, creating systems to monitor and support it, and figuring out the financial implications required some staff time. Once in place, the biggest burden of the program falls on Member Services staff — who are responsible for enrolling and communicating with participants — but the additional work of enrolling members in this program rather than the traditional member/owner category is minimal. As for the financial cost of the program, General Manager Clem Nilan stresses the program, “does not cost us anything, it enhances our revenue and profitability,” because it brings in shoppers who would not come otherwise. Sales to members in the *Food For All* program cover the cost of the goods and overhead, so the Co-op does not lose money by offering this program; it just makes less on the margin than it does in sales to other members and shoppers.

## **Challenges**

One of the biggest challenges involved in the *Food For All* program has been transitioning members of this program into becoming equity owners of the Co-op. Approximately 250 *Food For All* members are equity owning members, the other 900 are not receiving patronage dividends or voting in Co-op elections or ballots. Many of these members are also buying mostly conventional items, although over time, some *Food For All* members have shifted toward choosing more natural and organic products.

There were some potential legal issues that City Market/Onion River Co-op had to face when implementing this program. Anti-discrimination laws that protect those receiving benefits from being treated differently from other consumers can be applied even when you are offering additional assistance. The Co-op extended this discount to people receiving a variety of services and required that they were members so that the discount was not singling out any one group of individuals for receiving a specific benefit. Co-ops looking to institute a similar program should consult with legal counsel about federal, state, and local laws around this issue.

## **Suggestion for Replication**

City Market/Onion River Co-op has done an excellent job in tracking the success of this program: they look at the number of members involved, the sales trends of these members, and the percentage of membership and sales that these members encompass. Tracking this information can help co-ops clearly see the program’s impact — both for the Co-op, and the broader community. If food equity is a priority for your co-op, it is also a valuable tool for showing how a co-op is achieving its mission or “Ends”.

The *Food For All* program has been a successful way for City Market/Onion River Co-op to reach a demographic that has historically not taken advantage of food co-ops. When asked what he would do differently if he was given the chance, General Manager Clem Nilan responded: “Start earlier.”

*Profile by Dana Clawson*

*This profile was developed as part of “Food Co-ops & Healthy Food Access,” a joint project of the Cooperative Fund of New England (CFNE) and the Neighboring Food Co-op Association (NFCA). The goals of the project are to increase access to healthy, regionally-sourced food and food co-op member/ownership and participation; to support information sharing among food co-ops on programs related to low-income access; and to raise the profile of food co-ops as a solution to the challenge of healthy food access in our region. For more information, please visit [www.nfca.coop/healthyfoodaccess](http://www.nfca.coop/healthyfoodaccess).*

(profile updated 5/2013)