

FOOD CO-OPS & HEALTHY FOOD ACCESS PROJECT

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

The Co-op Basics Program of the Franklin Community Co-op

Franklin Community Co-op is a food co-op with two retail stores (Green Fields Co-op Market and McCusker's Co-op Market) located in Franklin County, a rural area of Western Massachusetts about thirty minutes north of Northampton. Founded in 1977, the co-op is a natural and organic food store with approximately 2,030 members and \$7.8 million in sales between both stores, which are located in Greenfield and Shelburne Falls. Franklin County has one of the lowest median incomes in Massachusetts, \$48,993 compared to \$64,057 statewide¹. For those with limited means, the cost of food is a major concern. Franklin Community Co-op has stepped up to help make food more accessible to everyone who shops there through a variety of channels, including the "Co-op Basics" program.

The Program

Through Co-op Basics, the co-op lowers their margin on selected items that would be considered staples in many people's diets. Instead of a typical 40-45% margin, the co-op aims for a 20-25% margin. This is applied to many of the items that customers purchase on a regular basis, including beans, pasta, cereal, and toothpaste. Franklin Community Co-op is currently applying this program to around 60 items. The co-op also constantly works with suppliers to find ways to cut cost that can be passed on to both members and shoppers. Items that are part of Co-op Basics have a distinctive yellow tag next to their price tag on the shelf. Although this reduction in cost can be significant to those with limited incomes, it benefits everyone who shops at the co-op.

Cost to the Co-op

Despite the reduced margin on each of the Co-op Basics items, Franklin Community Co-op continues to operate at a healthy margin overall. In addition, because this program is relatively low-maintenance, it does not take large amounts of staff time to run; the majority of the work involved in its operation falls on the co-op's marketing staff and two buyers. The marketing staff is responsible for creating materials to promote this program to members, shoppers, and other staff, and the store's two buyers constantly work with suppliers to find items that they can lower the cost on.

Challenges

One of the biggest challenges in running the Co-op Basics program is maintaining awareness of the program; because it offers everyday low prices, it can be easy for members and shoppers to overlook that the co-op is offering a unique program to help lower food costs. To help bring attention to Co-op Basics, the program is often mentioned in the co-op's newsletters, it is part of an informational rack card (flyer) that the co-op offers on shopping on a budget, and the items that are part of this program are clearly labeled.



Franklin Community Co-op
(Green Fields Co-op Market, Greenfield,
MA & McCusker's Co-op Market,
Shelburne Falls, MA)

Established: 1977
Members: 2,030
Annual Sales: \$7.8 Million
Locations: 2 stores, the largest has
5,000 sq. ft. of retail space

Suggestions for Replication

It is strongly recommended that co-ops interested in exploring this model establish a system to monitor the outcomes, since it gets harder to measure your success once you have the program running. Franklin Community Co-op Co-General Manager, Suzette Snow-Cobb, suggests tracking the sales of the specific items both before and after they are included in a Co-op Basics program. This would be a great way to see how this program impacts the sales of those items and could be used for both promotion of the program and annual reports to the membership on how well the co-op is addressing its mission and ends.



It could also be beneficial for food co-ops looking to implement a similar program to compare the prices they are able to offer on items in such programs with the prices of the same or similar items at other stores in the area. This information could be used both in marketing materials and to get a sense of how this program is reducing cost as a barrier to healthy food in the community.

A Co-op Basics program is also an opportunity for collaboration with supplier co-ops that may already have competitive prices and would be supportive of such programs. An additional advantage of such relationships is the opportunity to promote co-op to co-op partnerships, particularly during the Year of Co-ops in 2012. (For a list of co-op suppliers, visit: <http://nfca.coop/co-opproducts>.)

It is important that both the management and the board are supportive of such programs and see them as supporting the overall mission and ends of the co-op. Because the goal of this type of program is affordability, it may result in lower margins on these products. Therefore, co-op leadership must be comfortable with the tradeoff between social performance and basic economic performance. However, it should also be recognized that the visibility created by such programs will support opportunities for collaboration with community organizations, as well as increased membership and sales as more people see shopping at the co-op as an option.

Profile by Dana Clawson

This profile was developed with the support of The Cooperative Foundation and The Howard Bowers Fund 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 <http://nfca.coop/healthyfoodaccess>.

(Profile Updated 2/2012)

ⁱ US Census Bureau (2011). State and County Quick Facts. Retrieved January 22, 2012 from <http://quickfacts.census.gov/qfd/states/25/25011.html>