



New England Retail Food Cooperatives and Our Regional Food System

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Hunger Mountain Cooperative

- Single store in Montpelier, Vermont
- Founded 1972
- 7200+ Member-Owners, 160+ employees
- Central VT = approx. 70,000 people
- Natural, organic, local product mix
- 19,000 square feet
- \$22 million sales annually

Hunger Mountain Cooperative



Hunger Mountain Cooperative

Local Foods

- Local Foods = “grown or value-added in Vermont and/or within 100 miles”
- FY2013 Local Food Sales = \$6.3 million (retail)
- Largest Categories of Local Foods:
 - Bakery, Produce, Cheese
 - Meat, Deli
 - Dairy, Beer

Hunger Mountain Cooperative Local Foods Operational Implications

- 400+ VT Vendors, 2000+ VT products
- Buyer Relationships
- Receiving, Storage, OOS
- Merchandising: display, pricing, promos
- Marketing: signage, ads, demos, Featured Vendor, events, branding
- Accounting
- Education and Price Image

Hunger Mountain Cooperative

Total Local Impact FY2012

- \$6.7 million local purchases (wholesale)
- \$5.5 million employee compensation
- \$1.2 million state and local taxes
- Generated 205 full time positions,
 - Approximately 25% outside the Co-op
 - Approximately 50% more than conventional grocery

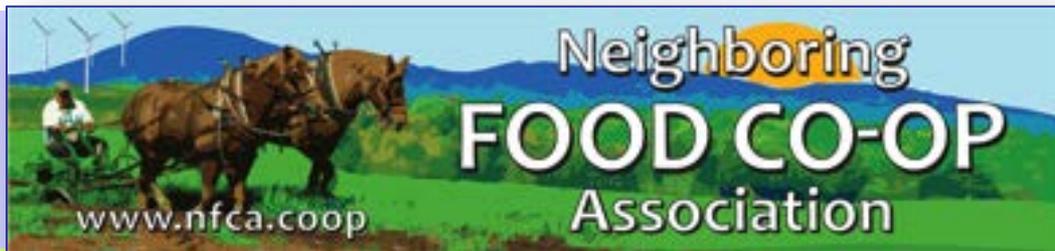
Hunger Mountain Cooperative Looking Forward

Grow Coop Sales

- Serve more customers
- Purchase more local product
- Create more good jobs
- More Impact!

Network Partnerships

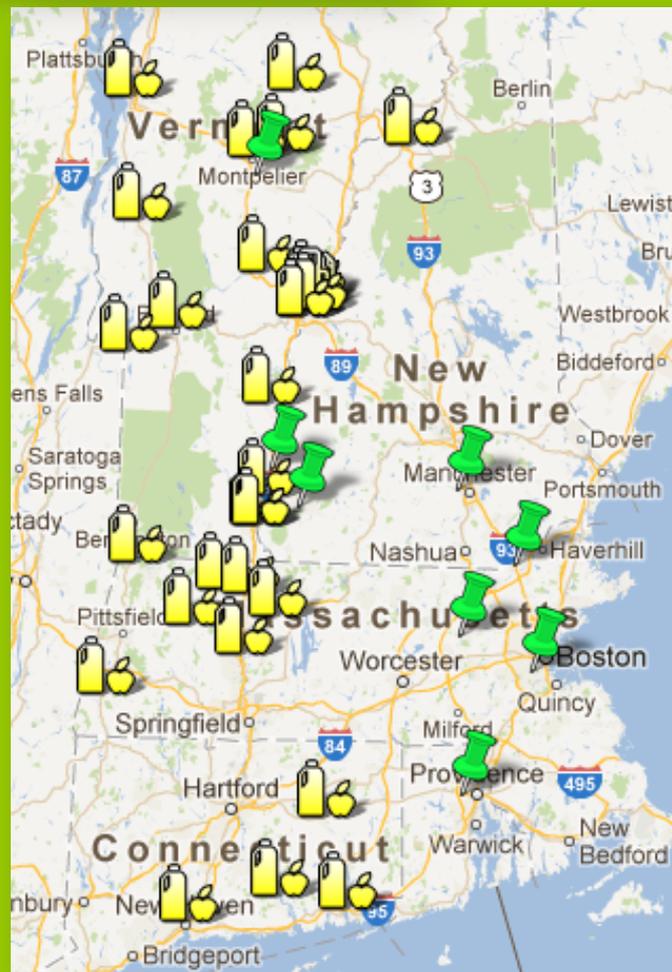
- Farm To Plate VT
- National Cooperative Grocers Association
- Neighboring Food Cooperative Association



The NFCA in 2012:

- 34 member co-ops and start-ups
- 91,000+ member-owners
- 7,000+ new member-owners
- 1,480+ employees
- \$214 million in annual revenue
- **\$30 million*** in local purchases
- \$2.2 million* in Fair Trade purchases
- \$2 million* in purchases from other co-ops

*incomplete reporting



Vision

**Thriving
Regional
Economy**

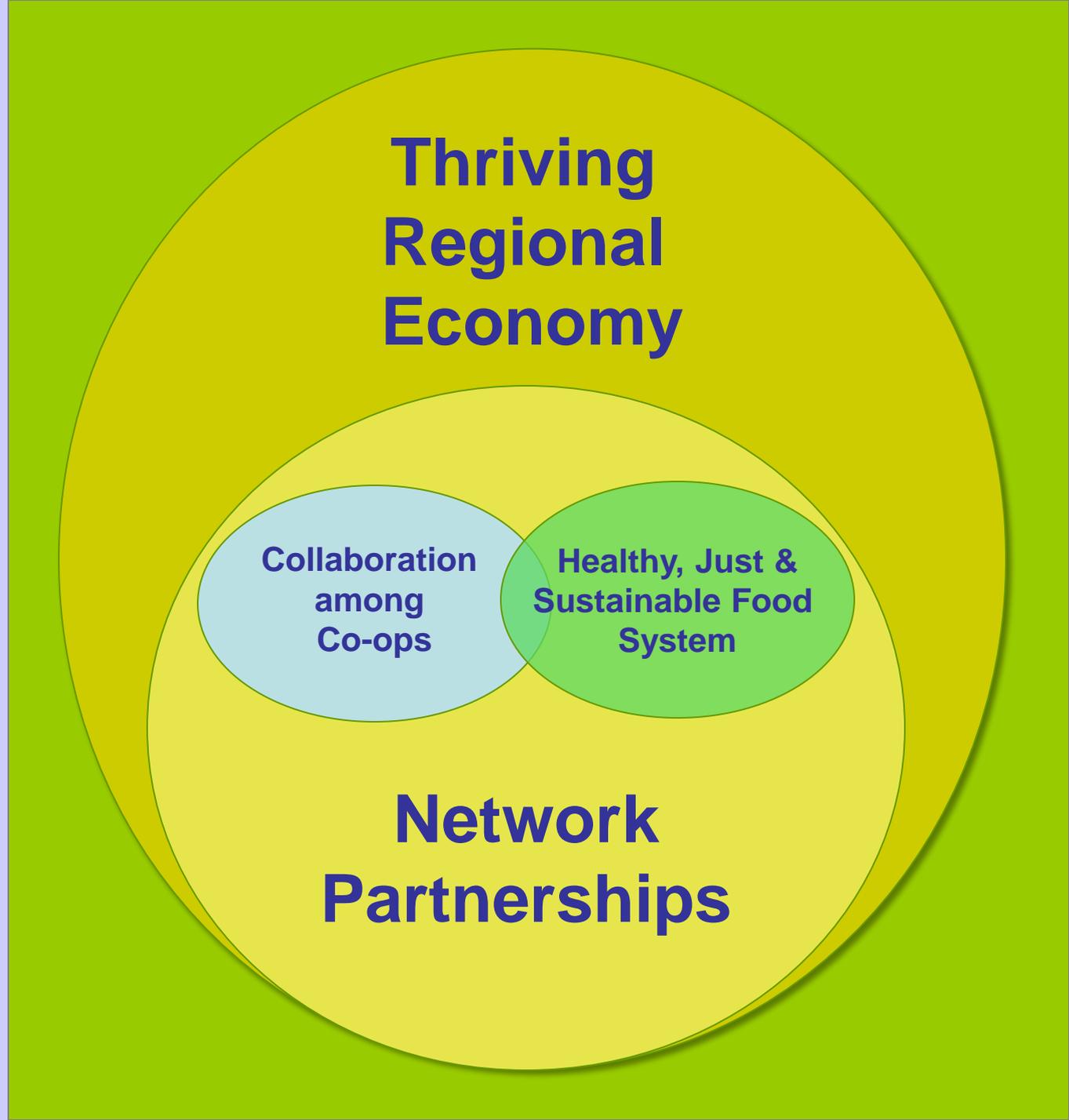
**Focus
Areas**

**Collaboration
among
Co-ops**

**Healthy, Just &
Sustainable Food
System**

Strategy

**Network
Partnerships**



Priorities



- Organizational Development
- Shared Marketing & Education
- Peer Collaboration
- Network Partnerships
- Regional Sourcing

Background to Regional Sourcing

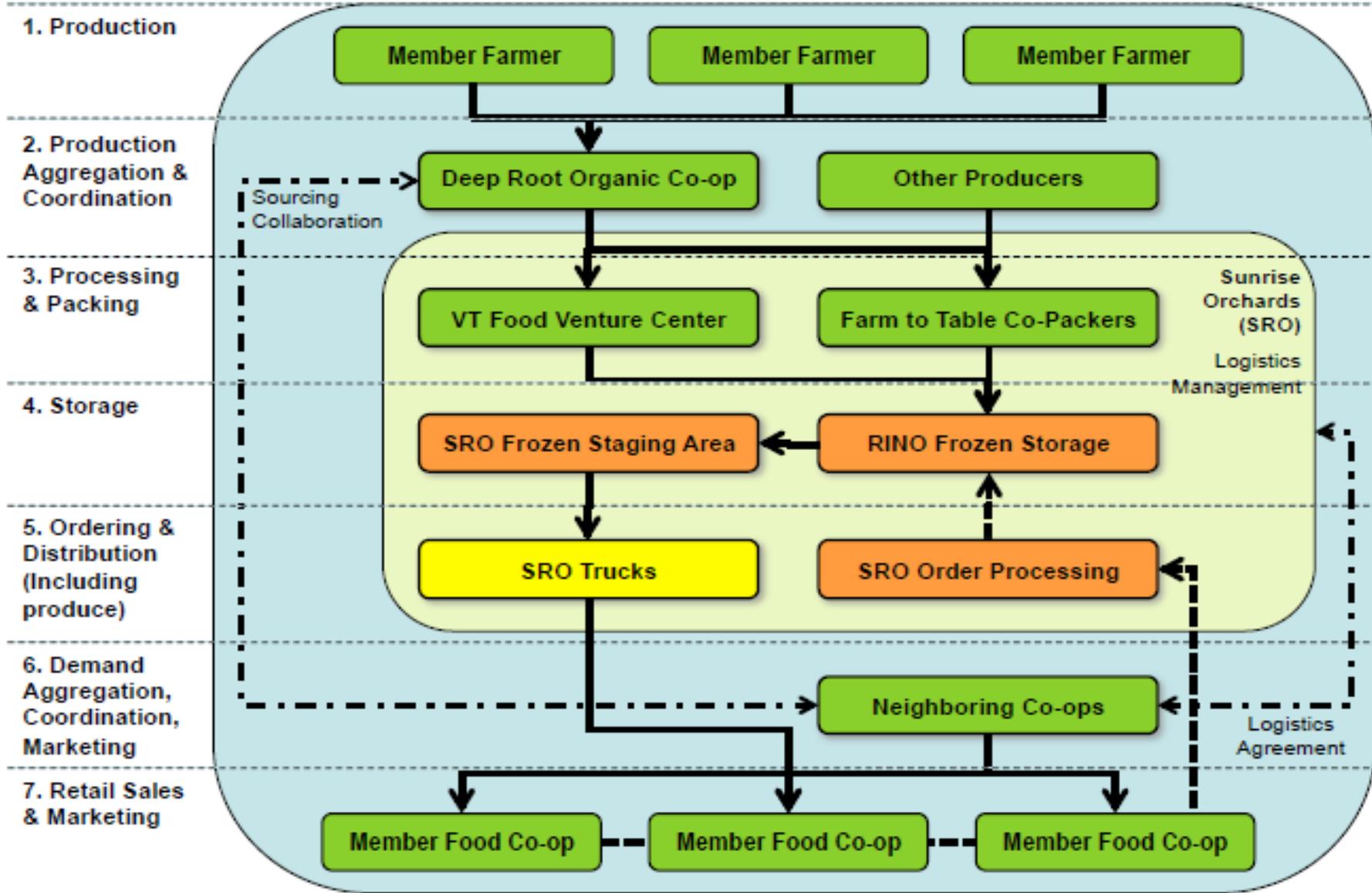
1. Core priority: Leverage purchasing power
2. Development of priority product list
 - Products with limited availability regionally
3. Member dialog on regional sourcing criteria
 - Member co-op product priorities
 - Likelihood of success
 - Manageability
 - Alignment with vision
 - Support Competitive Advantage

Exploring Our Priorities

Members support...

- Regional impact in sourcing...
- ...distribution to all members
- Healthy, organic, non-GMO
- Fair trade principles
- Collaboration with other co-op sectors
- Balance mission, quality, affordability

FARM TO FREEZER 2012/13



What We Have Learned

Farm to Freezer

Regionally sourced frozen fruits & vegetables

13,000 lbs of produce in 2013

Pros:

- Innovative, path breaking
- Member benefit
- NFCA co-branded
- Co-op to co-op
- Regional impact
- Potential for income



Challenges & Opportunities

- **Buzz:** Members (and competitors) excited
- **Limited resources** to fully take advantage of the potential for regional sourcing
- Working with co-operative **partners** we have the potential for product development, efficiencies gained through aggregation
- Major challenge: **Distribution** (affordability, efficiency, reaching all of our members)

Potential for Collaboration

- **Food co-ops**
 - Aggregated purchasing (efficiency)
 - Coordination of demand (planning, risk mgmt.)
- **Supplier co-ops**
 - Aggregated supply (efficiency, affordability)
 - Coordination of processing
- **Basis for collaboration**
 - Shared principles, values, vision
 - Efficiency, impact of co-op model
- **Volume, efficiency, focus**

Next Steps

- USDA Value Added Producer Grant
 - Support from Farmers Union, CoBank
 - Exploration of priority products
 - Co-op structure
 - Feasibility study
 - Business plan
- Work Plan & Timeline
 - 2014 Calendar Year



Discussion

- Feedback Questions
- Ideas
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