9th September 2010

Dear Food System Partner,

The Neighboring Food Co-op Association (NFCA) is a network of 20 food co-ops in VT, NH, MA and CT with a combined membership of more than 80,000 people (for a map, please visit www.nfca.coop). Our co-ops are member-owned and democratically governed community grocery stores ranging in size from large, multiple storefront retailers with thousands of members to smaller markets with just a few hundred. While most have been in operation for more than 20 years, some of our co-ops were founded in the 1930s and '40s and a more recent wave of co-ops has opened in just the past few years.

Historically, food co-ops have been leaders in movements for more just and sustainable food systems, including organic, local, co-operative, fairly traded and Domestic Fair Trade products. Together, our co-ops have a profound impact on the agriculture and economy of our region. In 2009, NFCA members had combined revenue of over $185 million and employed over 1,400 people. An independent study completed in 2008 found that our co-ops purchased more than $33 million in local products in 2007, including $10 million in fresh farm products, $18 million in locally-processed foods and $5 million in other products.

More recently, our co-ops have come together around a **shared vision of a thriving regional economy, rooted in a healthy, just and sustainable food system**, and collaboration among co-ops across sectors and partnership with other likeminded organizations and networks. As part of this effort, we have been working to identify products that are feasible to grow and process in our region but that are currently unavailable or difficult to source. Our goal is to begin to work together with farmers, producers and likeminded organizations to begin to fill these gaps, developing local and regional sources for products in a manner that advances our vision.

To demonstrate demand for these products, we have assembled initial movement data from NFCA member co-ops for certain high priority local products. Attached is the basic data and context from an initial survey of NFCA members. We are sharing this information in hopes of building understanding of shared goals and identifying areas where we might work together with likeminded organizations to help overcome the infrastructure, distribution, and pricing challenges that these gaps in the regional food system represent.

Also attached is a flyer describing the NFCA that can serve as an introduction to our organization. As we continue to develop our vision and plans for moving forward, we hope that you will feel free to be in touch with any questions, ideas, or opportunities for collaboration.

Thank you.

In Co-operation,

Erbin Crowell

P.S. While we are excited to share this data with your organization, it is not intended for public distribution. Please consider it for internal discussion only.

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NFCA Definition of Local & Regional

"Local" is defined by the Neighboring Foods Co-op Association as being sourced from within the state or 100 miles from the point of sale. Some co-ops choose to use a more restrictive definition. City Market in Burlington, VT, for example goes by the Agency of Agriculture definition of the state of Vermont plus 30 miles from point of sale.

"Regional" is defined as the New England states plus New York and adjacent areas of Canada. The NFCA's area of membership currently includes Vermont, New Hampshire, Massachusetts and Connecticut. For a map of member co-ops, please visit www.nfca.coop.

Methods – Why These Products?

In the January 2010, City Market undertook a store-wide analysis of local product gaps – determining products that are feasible to grow in Vermont but where a local source is currently unavailable (the current list is available at http://www.citymarket.coop/local-products-gap).

Using this list as a starting point, the NFCA Sourcing Committee compared notes among member co-ops to select the most common, high volume gaps. This reduced list of items was then sent out to the broader co-op membership. NFCA members were asked to identify the sourcing priority of these items from high to low. The items selected as highest priority for sourcing work were

- dry grains (oats and popcorn)
- dry beans
- single-serving yogurt
- frozen fruits and vegetables, and
- chicken (chicken was eventually removed from the list due to variations in tracking).

Member co-ops were then asked to run sales movement reports for the 2009 calendar year on those products. We also surveyed member co-ops to find out what price premium they'd be willing to pay for local products.

Survey Results

Eleven of the 20 members of the NFCA reported movement numbers for the local and regional sourcing priority products. Over the course of 2009, these 11 co-ops moved close to 170,000 pounds of frozen vegetables, with most of the movement in frozen peas and corn, and just over 76,000 pounds of frozen fruits.[1] Six ounce yogurts saw 889,343 units sold during this time period.[2] 177,825 pounds of oats of all types (rolled, instant, and steel cut), just over 35,000 pounds of popcorn, and 30,388 pounds of beans (pinto, kidney and black) were sold.[3]

The price premium co-ops said they'd pay for local products varied widely – between 0% and 50% for most products. The average price premium for frozen fruits and vegetables was just over 12%. The average price premium for single-serving yogurt was 6.6%. The average premium for dried grains and beans was between 13 and 14.5%.

Where do we go from here?

This is only preliminary data, which the NFCA is now sharing with agricultural agencies and food system advocates, farmers and their organizations, and community economic development groups across the region. Our goal is to begin a dialog on how we might work together in the future and we will be collecting feedback and contacts as we move forward in our planning and coordination around sourcing and food system development.

If you have any questions, feedback or ideas for collaboration, please contact Erbin Crowell (erbin@nfca.coop).

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1 Reports identified sales of organic versus conventional sales for frozen fruits and vegetables. All frozen fruit and vegetable sales were reported in pounds. While bags of frozen fruits and vegetables are sold in units ranging from 8 ounces to 1 pound, staff converted all amounts to pounds.

2 Reports identified organic sales versus conventional sales for single serving yogurt. Single-serving yogurts focused only on the 6 ounce size with no unit conversion.

3 Due to the current tracking systems for dried beans and grains, member co-ops were unable to identify organic versus conventional bean sales and results were consolidated into 'Undifferentiated Organic versus Conventional Movement.' Beans and grains are all sold by the pound through the bulk departments of the co-ops. Any packaged grains or beans from the grocery aisle were not added in to this grain and bean total.

Produce	Total - Organic Movement 1/1/2009 - 12/31/2009	Total Conventional Movement 1/1/2009 - 12/31/2009	Undifferentiated Organic versus Conventional Movement 1/1/2009 - 12/31/2009	Premium for local (Range)
Frozen Vegetables, peas (lb)	28,823	27,929		0-50%
Frozen Vegetables, corn (lb)	20,007	16,569		0-50%
Frozen Vegetables, edamame (lb)	10,253	1,532		0-50%
Frozen Vegetables, Spinach (lb)	8,691	14,259		0-50%
Frozen Vegetables, Broccoli (lb)	8,964	6,807		0-50%
Frozen Vegetables, green beans (lb)	8,078	9,060		0-50%
Frozen Fruits, blueberries (lb)	13,312	25,968		0-50%
Frozen Fruits, raspberries (lb)	9,709	11,412		0-50%
Frozen Fruits, strawberries (lb)	9,485	6,416		0-50%
Dairy & Perishable				
Yogurt(cow milk) - Single Serving Size (6 oz units)	268,075	621,268		0-10%
Grains				
Rolled Oats (lb)			130,895	0-50%
Steel Cut Oats (lb)			24,461	0-50%
Quick Oats (lb)			22,469	0-50%
Popcorn (lb)			35,185	0-50%
Beans, dry, bulk				
Black Turtle Beans (lb)			15,152	0-50%
Pinto Beans (lb)			8,392	0-50%
Kidney Beans (lb)			6,843	0-50%

About the Data We had 11 NFCA Member Co-ops report their movement data. Co-ops currently are not differentiating betw and conventional in their dried bean and grain movem us to clump the data into the "undifferentiated movment" column.

About the Neighboring Food Co-op Association

The Neighboring Food Co-op Association (NFCA) is a network of food co-ops committed to a shared vision of a thriving regional economy, rooted in a healthy, just and sustainable food system, and collaboration among co-ops across sectors.

Membership

The NFCA includes **20 food co-ops in Vermont, New Hampshire, Massachusetts and Connecticut** (for a map of member locations, please visit www.nfca.coop).

Our co-ops are member-owned and democratically governed community grocery stores ranging in size from large, multiple storefront retailers with thousands of members to smaller markets with just a few hundred. Most of these co-ops have been in operation for more than 20 years with some being founded in the 1930s and '40s. Despite the challenges of the current economy, **many of our member co-ops are expanding** and new stores have opened their doors in just the past few years.

Food co-ops have been **leaders in the development of natural, organic, local, Fair Trade and Domestic Fair Trade food movements** in our region and across the country.

Shared Economic Impact

Together, the members of the NFCA have a **combined membership of more than 80,000 individuals, employ over 1,400 people, and have annual revenue of $185 million** (2009). An independent study completed in 2008 found that the members of the NFCA have a dramatic impact on the regional economy, including (figures for 2007):

- **Purchases of more than $33 million in local products…**
  - …including $10 million in fresh farm products, $18 million in locally-processed foods and $5 million in other products.
- **Stable employment for local communities.**
  - Co-ops had lower staff turnover (36%) when compared to supermarkets (59%) and more staff employed fulltime (62% compared to 43% in supermarkets).
  - Food co-ops tend to promote from within, building career ladders for employees.
  - Taken together, member food co-ops in Vermont are one of the top 25 employers in the state.
- **$28.6 million in employee wages.**
  - The average wage was 18% higher than the average for food and beverage stores in the same states.
- **Support of local government and infrastructure through payment of taxes…**
  - …including $7.3 million in sales, excise, and other taxes, $434,000 by employees, and $500,000 in property taxes.

What We're Doing

The members of the NFCA are working together to share the story of our co-ops as member-owned, community-based enterprises, to measure our economic and social contributions to our communities, and to partner with likeminded organizations and networks to advance our vision of a thriving regional economy.

Partnerships & Networks

The NFCA works with likeminded organizations and networks across the region such as the Northeast Organic Farming Association, the Northeast Sustainable Agriculture Working Group and Vermont's Farm to Plate initiative. Our association is an affiliate member of the **New England Farmers Union**, reflecting our shared commitment to a healthy regional food system, family farming and co-operative enterprise as a tool for community ownership, sustainable agriculture and economic resilience.

The NFCA works in partnership with the **National Cooperative Grocers Association** and the **Cooperative Fund of New England**, and is committed to collaboration among co-operatives. We have also worked with other co-ops to support a vibrant, innovative co-operative sector in our region, including Organic Valley (CROPP Co-op), Cabot Creamery, Deep Root Organic Co-op, Equal Exchange, and the UMASSFive College Federal Credit Union.

Steering Committee & Staff

The work of the NFCA is guided by the shared vision of its member co-ops and overseen by an elected steering committee.

Erbin Crowell serves as Executive Director of the NFCA, where he supports member co-ops and coordinates operational, marketing and partnership activities. Prior to joining the association, he worked as Manager of Marketing & Co-op Relations with the Cooperative Fund of New England and as an independent consultant in partnership with organizations such as the Valley Alliance of Worker Co-ops. For over a decade, he was a member of Equal Exchange, a co-operative Fair Trade Organization.

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