

Syracuse Real Food Co-op
President's Report
December 1, 2014

Syracuse Real Food Cooperative Ends Policy:

The Syracuse Real Food Cooperative is a sustainable, thriving, cooperative commerce in our local community centered on an excellent grocery store built upon participation and ownership.

In last year's report, I wrote hopefully about the prospect of growth for our co-op. It's a challenging and interesting time to be a small retail food co-op. This year, the focus of my report is partly on the need to cut our clothes to fit our cloth. But it's also on the importance of looking at innovative partnerships to transform our small store into the kind of enterprise that can thrive in the current marketplace.

You might have noticed that there's a tremendous surge in the market for natural foods. We have new retailers in the market, like Trader Joes, for example. And at Tops and Wegmans we can see that they like other large conventional chains are really focussing more and more on the kinds of products that have been our bread and butter for years.

That's all to the good, from one point of view. More people eating more healthy food is a good thing. What it points up to us, though, is the need for our co-op to tell our story more effectively. We don't just sell real food, we do it in a way that keeps our dollars in the community. Our cooperative business model is the difference between us and our competitors. And yet it's increasingly clear that our small size is a limitation on our ability to thrive.

We're engaged in a bit of a race towards sustainability. Our small size makes us unable to offer the low prices that you will find at our competitors. Our aging building continues to need more and more maintenance: there is a new surprise every year. Right now Jeremy is doing a masterful job of controlling costs--but sales are not as strong as in other years. So, the question the board has worked all year on is this: how do we create a thriving business enterprise that will bring the cooperative advantage and affordable prices to the people of Syracuse?

If we could have done it, we would have launched a member loan campaign this year to raise capital needed for expansion. But our financial records and condition were not strong enough for the board to make the representations required by New York State as a pre-requisite to that loan campaign. We'll continue to evaluate the right timing for a loan campaign, taking into account the advice from our auditor and our attorney. And we're not just banking on that model of cooperative development for our future.

In the broader co-op community, the conversation is all about new ways of engaging in cooperative development. Co-ops are the solution to so many economic problems. Many retail food co-ops have had the good fortune to grow and expand during less challenging economic times, but there are those like ours which are lagging behind.

Thanks to the foresight of Joanne Grisanti, a former General Manager, SRFC got in on the ground floor of the formation of the national trade association for retail food co-ops. We would be too small to join today, but as a full member of National Cooperative Grocers we have for many years been the fortunate beneficiary of a supply contract which continues to give us a competitive edge without which we might not be here today.

NCG is concerned about co-op development, and our co-op might even be the focus of more attention from them this year. The competitive environment is such that some retail food co-ops will struggle and some may fail. Co-ops are looking at new ways of growing. NCG is developing new ways of partnering with its member co-ops. And increasingly, strong co-ops are partnering with developing co-ops by providing management contracts or in some cases co-ops are even merging. And there are a host of other ways that co-ops are seeking to creatively raise their competitive edge.

Jeremy and the staff are doing a remarkable job of running our little store and keeping up the beloved building. You all are doing your part by shopping our store and encouraging your friends and community members to become co-op owners. And as a board, we continue to investigate innovative ways to grow our co-op, so that we can survive and thrive for years to come. Stay tuned for more news from us--and keep shopping and loving our co-op. It has endured remarkably well and it's the board's firm intention that it will not only survive, but will thrive in the years to come.

See you at the co-op!