

JANUARY GENERAL MEETING EXPLORES 25% MARK-UP AND AMY'S KITCHEN LABOR PRACTICES

February 28, 2023



By Frank Haberle

The Park Slope Food Coop's first General Meeting of 2023, held on January 31, addressed two issues: whether to sustain the current 25% mark-up rate until 2024, and unfair labor practices at Amy's Kitchen. The Labor Committee and Animal Welfare Committee reported briefly on recent activities. In General Coordinator reports, Joe Holtz provided an update on the Coop's finances, and Elinor Astrinsky reported on the recent year-end inventory.

Open Forum

After welcoming members and staff, the meeting chair, Charlie Rogers, opened up the floor for a 15-minute open forum. The first question came from member Neal Last, who was concerned about consumer reports that many dark chocolate products carry high amounts of two heavy metals, lead and cadmium. Astrinsky responded

that changes were about to be made regarding the dark chocolate products available.

Another member, Mitzi Rothzeit, had noticed receiving workers with their names marked in masking tape during their shifts, and wondered if all workers—including members and staff—might start wearing name tags to make the environment more friendly. Astrinsky stated that the name tags were intended to help Coordinators manage large receiving squads.

Member Rachel Porter wondered why the *Linewaiters' Gazette* still adheres to its pre-Covid word limits even though it is now an on-line publication; she had recently submitted a member article and had asked if it could be longer as it covered four issues she wished to raise, but was told that the *Gazette* still has strict word limits for member submissions.

Finally, member Ainslie Binder spoke about a product they bought as a gift before the holidays—a coffee filter—only to learn that it was made with porcelain produced in China, which is known to have a very high rate of unsafe metals. Holtz responded that there was a very slight chance that the purchaser would have known this, and he would reach out to find out more.

General Coordinators Reports

Holtz presented a summary of the financial report for the first 48 weeks of Fiscal Year 2023 which showed that the Coop's total assets were \$12,417,000. In terms of cash flow at the 48-week mark, the Coop had \$550,000 more in the bank than at the beginning of the year.

1st 48 Weeks of FY 2023	
Assets	12,417,000
Increased funds at bank	550,000
Sales during 2022	48.4 MM

Members asked how payroll is impacting our bottom line with staff now doing jobs formerly held by members. Holtz responded that our staff costs are high because we are still recovering from Covid. “We are now thinking about a more robust training program for our member workers. The current situation at the check-out area is way more complicated than it used to be. One thing we had to develop is our new, complex online work slot system. We’re still trying to build our future. It’s a work in progress.”

Astrinsky reported on the annual inventory conducted two days before. “We close early, and then we count every lollipop, every pound of cheese. We weigh all of our produce. Our buyers come in and count every boxed item in the basement.



PHOTO BY ROD MORRISON

“We had between 70 and 80 members work on this. Staff spent endless hours making sure shelf labels were right, records were right. It was a tremendous effort. Also, we had a construction team come in while the Coop was closed to put in new flooring and metal plates in our receiving area.”

Agenda Item One: The Coop Mark-Up



PHOTO BY ELLY DITTMAR

The Coop's annual inventory must be accurate and involves a huge effort by staff and members.



PHOTO BY ELLY DITTMAR

More than 70 Members worked on the Coop's annual inventory.

WE COUNT EVERY LOLLIPOP, EVERY POUND OF CHEESE. WE WEIGH ALL OF OUR PRODUCE. OUR BUYERS COME IN AND COUNT EVERY BOXED ITEM IN THE BASEMENT.

GENERAL COORDINATOR ELINOAR ASTRINSKY

Holtz presented a general coordinator proposal for discussion, asking the Coop to maintain a 25% mark-up through FY24 (ending January 30, 2024) with a lower base mark-up of 21% for members who are eligible due to financial need. The proposal states that by the October 2023 meeting, the general coordinators will present detailed financial projections and possibly consider changing the rate if conditions allow it. "With a 25% rate in place we still had operating loss in the year just ended," Holtz said, "and we are expecting existing expenses to increase 6% this year. Even with an increase in sales from \$48.4 million last year to \$53 million this year we still project an operating loss. If we maintain \$53 million in sales and a 25% mark-up rate this year, we'll have an overall loss of \$370,000. If we change the mark-up to 21%, we will lose \$1,750,000."

Case for retaining @25% Markup	
Projected Expenses increase	6%
Projected sales 2023	53 MM
Projected loss 2023 @25%	-370,000
Projected loss 2023 @21%	-1,750,000

Members asked whether we were losing sight of our mission to provide great food at low prices and how we can return to a full Coop member-led labor model. General Co-

ordinator Ann Herpel added that “a lot is being tossed around in this meeting about having less staff oversight and returning to member-led workshifts and squad leaders, but in terms of member labor, squad leaders have always been a very small part of the workforce. Members are doing the bulk of work at the Coop right now.”

A member pressed the question about higher costs. “Our mission started with good food at low prices—this proposal doesn’t support that mission. How do we put this on our members? Our prices are increasing but we are not cutting costs.” Another member stated that “there’s a lot of language here that something’s being taken away from us by raising prices, but we need to cover our expenses. Even with a 25% mark-up we are still running a projected deficit. What I’m hearing is a very responsible proposal that we take this into the fall and then we reconsider in the fall.”

Holtz noted that “a lot of things are still unsure after Covid and we need another year. In October we can consider making different kinds of plans if that is prudent.” Astrinsky added, “We are constantly trying to get prices down. And we’ve grown the Coop by 3,000 members, which is great and exciting but we need to spend a lot of time and energy helping them stay safe and do their jobs right.”



Every pound of cheese was counted. There were 381 lbs of Sharp White Cheddar.

Agenda Item Two: Amy's Kitchen

Eric Frumin of the Labor Committee presented a proposal to ask food supplier Amy's Kitchen to commit to fair labor practices and safe conditions for workers as they prepare to open a new plant in Goshen, New York. "About a year ago we started learning about deplorable working conditions and worker rights being undermined at Amy's, a

long time supplier. Amy's has four factories, including one in Idaho where the injury rate was 10%, triple the average of same industry, and all of their plants have high injury rates. Workers who attempted to unionize for safer work conditions and better treatment were being harassed and fired. We got a request to support these workers who were struggling to find a fair way to form a union, with big obstruction. We wrote Amy's CEO in April asking about these concerns. With help from National Co+op Grocers, we finally got response in November." Amy's stated that they called in a third party to measure rates of injury. The third party only looked at one plant, in Santa Rosa, and only interviewed 15 workers. Amy's said they unconditionally respect worker rights and would never retaliate, but they had just fired a worker for leading a workplace action about safety. When workers started organizing in San Jose, Amy's closed the plant.

Amy's[®]

VEGETARIAN
ORGANIC

REFRIED
BEANS



K
DE
NO GMOs

USDA
ORGANIC

SERVING SUGGESTION

TRADITIONAL

PHOTO BY ROD MORRISON

Coop supplier Amy's has been found to have unsafe working conditions at their factories.

The Committee has said that it would like to send a second letter to Amy's Kitchen regarding the new plant they propose to open in Goshen, New York, and demand that they respect labor laws. In conversation, Coop members applauded the Committee's efforts and supported the proposal. One member stated that a new plant in the Northeast would help with jobs and would purchase from local farmers. "Perhaps we could find other ways that would help workers but ensure that the plant can open?" The Labor Committee will return in a few months to present their full proposal at a General Meeting.

Frank Haberle has been a Coop member since 1994 and a Gazette Reporter since 2006. Frank is the author of two novels, Shufflers and the upcoming Downlanders. He works at New Settlement in the Bronx.