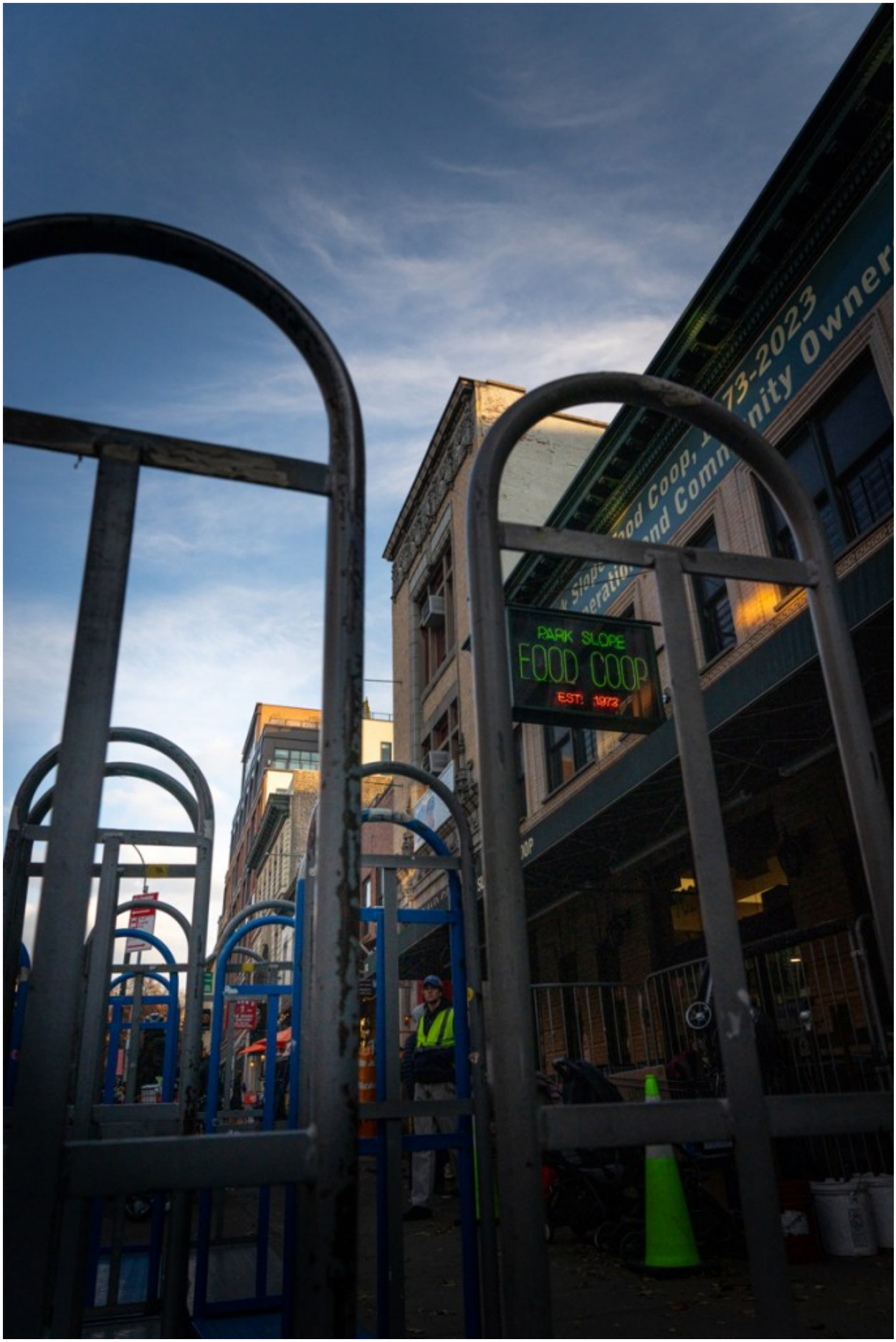
BUILDING A COOPERATIVE MODEL

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PARK SLOPE
FOOD COOP
EST. 1973

Photograph by Caroline Mardok

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All Park Slope Food Coop members are familiar with the Coop's member-labor model: To shop at the Coop, one must be a member. And in order to maintain member status, with a few exceptions, one must complete a 2 hour, 45 minute shift once every six weeks. The member-labor model is an effort to strike a balance between multiple goals: cooperation, community, affordability, accessibility and local food production. How do the models of other food cooperatives across the country compare?

BY SAVING ON LABOR COSTS, THE COOP CAN RELIABLY OFFER LOW PRICES TO ALL MEMBERS.

The Coop's mission statement testifies to the centrality of member labor, reading in part: "As members, we contribute our labor: working together builds trust through cooperation and teamwork and enables us to keep prices as low as possible within the context of our values and principles." As a result of being able to rely upon a large volunteer workforce, PSFC is one of only a few food cooperatives to standardize and publicize its wholesale price markup in its financial statements. This markup now stands at 24%. In traditional retail grocery stores, markups above wholesale can range from 30% to 80%. By saving on labor costs, the Coop can reliably offer low prices to all members.

According to the National Co+op Grocers—a group that includes 165 independently operated food cooperatives in the U.S., including PSFC—food cooperatives across the board prioritize affordability, democratic control and local food production. The association reports that, on average, food coops provide a 25% discount on over 2,400 products each week and work with at least 169 local farms. But while 1.3 million people

are members of food cooperatives in the U.S., coop members only account for 63% of all coop sales—many nonmembers thus shop at food cooperatives, highlighting a strikingly different model from the PSFC.

Below, we examine how different food cooperatives operate, looking at how their financial and labor models address questions of affordability, accessibility and food supply. These distinct models each have their benefits and drawbacks, and they ultimately speak to a wide range of visions for food justice.



Scenes of stocking: Members place goods on the Coop's shelves. Photographs by Caroline Mardok.

MEMBER LABOR VERSUS MEMBER DISCOUNTS

In a 1992 issue of the *Cooperative Grocer,* Nancy Moore raises legal issues with the member-labor model in food cooperatives, which, at the time, began to face threats from the Department of Labor (DOL) for labor violations. These issues included how volunteer labor would square against requirements for workers' compensation, minimum wage laws and Social Security taxes—i.e., were members considered workers? "It is time for the food coops to consider whether the discounts are an integral part of their member labor program and also to consider whether volunteers are the best solution for performing the daily operating tasks of grocery stores," wrote Moore in response to these complaints.

Twenty years later, in 2012, Thane Joyal, a coop board consultant, revisited the issue of member labor in another issue of the *Cooperative Grocer:*

"In recent years, some retail food co-ops have modified or abandoned their owner work programs due to a lack of owner participation and concerns about violations of the Fair Labor Standards Act … Some cooperatives have changed their programs in light of concerns about how to equitably allocate limited work opportunities among interested owners."

> TODAY, FEW FOOD COOPS IN THE U.S. RELY ON MEMBER LABOR OR RESTRICT SHOPPING TO MEMBERS ONLY, OFTEN FOR FINANCIAL REASONS.

The shift away from a member-labor model is exemplified by the case of La Montañita Coop in New Mexico, which both Joyal and Moore cite. By the early 1990s, the cooperative offered a program in which members who worked three hours per week re-

ceived an 18% discount. The DOL filed a case against the store, demanding that the discount be increased to the minimum wage. Today, La Montañita Coop no longer has a member-labor program. Members instead receive deals on certain goods each week, in addition to a general discount on groceries. But nonmembers are also able to shop at the store, a common feature of food cooperatives across the country.

The DOL ultimately pursued very few cases against food cooperatives, and yet today few food coops in the U.S. rely on member labor or restrict shopping to members only, often for financial reasons. While allowing nonmembers to shop certainly makes a food cooperative more open to newcomers (though not necessarily more affordable), many such stores are located outside of major metropolitan areas, where they likely face far greater financial pressure to attract customers and may find it difficult to convince members to complete work shifts.

It's telling that two other food coops in Brooklyn—the Windsor Terrace Food Coop and the Greene Hill Food Co-op on the border of Bed-Stuy and Clinton Hill—operate similarly to the PSFC, as both require member labor and, on most days, are only open to members for shopping. New York City consistently ranks as one of the most expensive cities in the world, and as a result there are likely to be more potential members willing to contribute labor in order to access affordable, high-quality food.

Elsewhere, cooperatives frequently follow a model similar to that of La Montañita, based on member incentives and discounts. At the 16,000-member River Valley Co-op in Northhampton, Massachusetts, members receive additional discounts for shopping, such as a 15% discount on full cases of items, and a 10% discount on coop-owner appreciation days. At the Honest Weight Food Co-op in Albany, New York, members similarly receive a discount compared to nonmembers. There is also an optional labor component here: Members can increase their discount by contributing labor similar to the types of work shifts available at PSFC, what Honest Weight calls an "incentivized opportunity."

MEMBER LABOR REDUCES THE NUMBER OF JOBS CREATED BY A FOOD COOP, AS THEY ARE IN PART MEANT TO CUT BACK ON LABOR COSTS IN ORDER TO PROVIDE SAVINGS.

Other food coops have prioritized efforts to serve the community through job creation and by tackling forms of food injustice. In addition to being open to members and non-members, Gem City Market in Dayton, Ohio runs a teaching kitchen, a mini health clinic and a coffeehouse. Back in 2016, the Seward Community Co-op in Minneapolis built a new store with a stated goal of hiring people of color from the community. Member labor reduces the number of jobs created by a food coop, as they are in part meant to cut back on labor costs in order to provide savings.

The yet-to-open Kingston Food Co-op is a peculiar case, exemplifying the contradictions in some cooperative models as they pursue food justice and accessibility: The Kingston Co-op has received at least $200,000 from the Warren Buffet-funded Novo Foundation, an organization that has been accused of aiding rapid gentrification in the city. The Kingston Food Co-op asks founding members to join based on a system of “solidarity shares,” which offers lower membership joining fees for low-income people and those who identify as Black, Indigenous and/or a person of color.


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Food processing, stocking, receiving and other member labor at the PSFC. Photographs by Caroline Mardok.

FOOD JUSTICE

Many food cooperatives, including PSFC, draw their lineage from the political and social movements of the 1960s and 1970s, which promoted food sovereignty and justice. The Black Panther Party notably designed a series of free breakfast and food survival programs, inspiring cooperative food models in Black communities across the country. Darnell Adams shows that these programs highlight an even longer legacy of Black coops and alternative economics, noting: “For over a century, Black people have organized and run food cooperatives, farm cooperatives, cooperative schools, insurance mutual groups, and credit unions.” In the 1970s, many of the debates around food cooperatives revolved around how they would balance the availability of high--quality, organic and often costly foods from local farms with the goal of providing affordable groceries to communities of color.

MEMBER LABOR IS SIMILARLY IMPLICATED IN THE CONVERSATION AROUND EQUITY AND ACCESSIBILITY, AS MANY WORKING-CLASS FAMILIES MAY NOT HAVE THE ABILITY TO WORK SHIFTS.

Similar questions have arisen today around the identity of the food cooperative. “The models and business development frameworks for co-ops have largely focused on predominantly white, middle-to- upper-middle-class college-educated communities,” writes Adams. To address issues of affordability, many cooperatives have begun to bring in conventional foods alongside natural and organic foods, which are usually more expensive. Member labor is similarly implicated in the conversation around equity and accessibility, as many working-class families may not have the ability to work shifts.

Fifty-plus years after its founding, PSFC has settled on a model that upholds the value of labor in order to guarantee affordability for its members only population. Increasing rents, higher wages and benefits costs and rising food prices have meant that food co-operatives must pursue liberatory political visions amidst daunting financial constraints. At the end of the day, it’s important that whatever model food cooperatives pursue, they keep their doors open. But despite the differences in financial and labor models, all food cooperatives in the U.S. share key values in their cooperative identities: democratic member control, autonomy and economic participation.