

HOW MUCH CHEAPER ARE COOP PRICES? WHAT OUR SURVEY FOUND

May 21, 2024

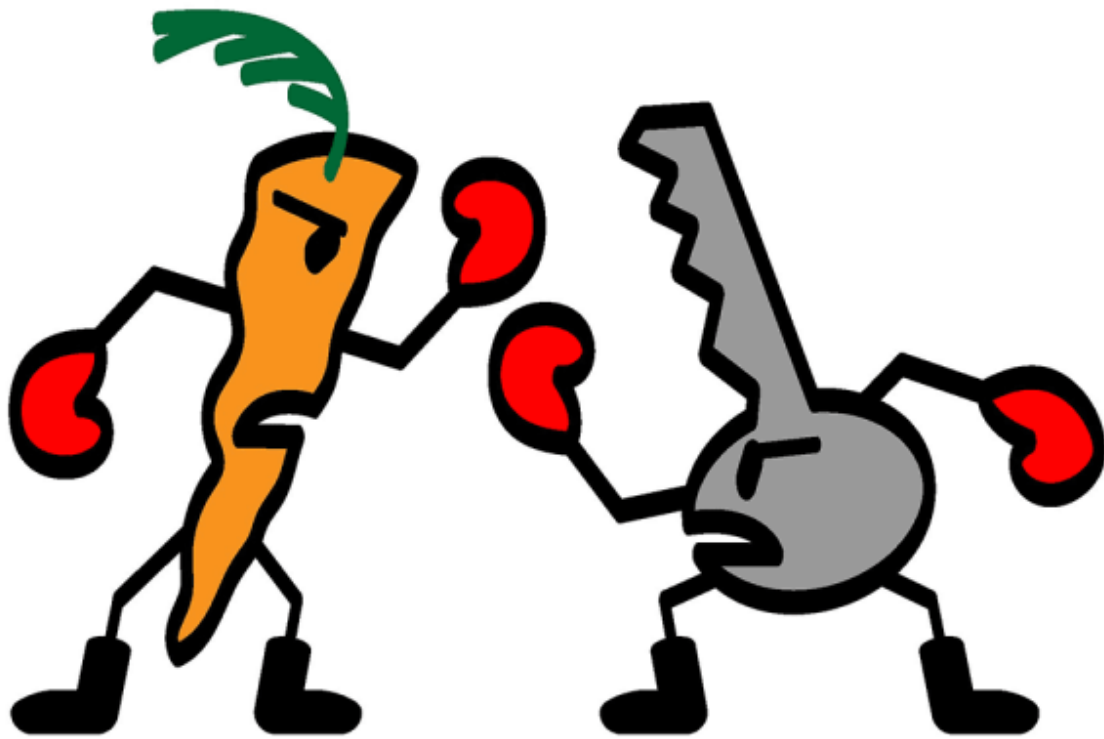


illustration by Stephen Savage

By Dan Bergsagel

Browsing the carefully curated vegetables at the Coop, you pick up an English cucumber, priced at 73 cents. The quality is great, as always, but you wonder: How much would it cost at a nearby supermarket?

The answer can be instructive, providing insight into why the Coop has long been such a draw for residents in Brooklyn and even farther afield.

At the Key Food around the corner on Seventh Avenue, the English cucumber costs \$1.99, meaning Coop members save 63 percent. Many other products at the Coop

offer savings as well, according to our analysis, though not always as significant.

A loaf of Arnold's 100-percent whole wheat bread is \$5.15 at the Coop and nearly the same price at Key Food: \$5.29. On the other hand, eggplant was \$2.73 a pound at the Coop, while \$1.69 a pound at Key Food, though the Coop eggplant was organic, unlike Key Food's.

The *Linewaiters' Gazette* completed an item-by-item comparison of dozens of products between the Coop and Key Food. Our overall result: Coop members typically enjoy an average 25 percent savings on items.

There are caveats to this informal survey. The main one, of course, is that the Coop's buyers prioritize quality and sustainability. They care deeply about how produce is farmed and products are manufactured—and how everything gets to the Coop's shelves.

Meat prices, for example, are relatively similar at the Coop and at Key Food, but the quality of the meat is much higher at the Coop, whose buyers seek providers that treat their animals humanely, focusing on items like pasture-raised, grass-fed and grass-finished beef.

Similarly, for produce, the Coop sells only organic, Fair Trade bananas and organic eggplant, while Key Food sells cheaper non-organic varieties. These variations can reduce the apparent savings in a price comparison, even though the Coop items are more attractive to many shoppers. For example, an apples-to-apples comparison of Granny Smiths (\$1.84 a pound at the Coop to \$1.99 a pound at Key Food) is hard, as the Coop apples are organic and the Key Food apples are not.

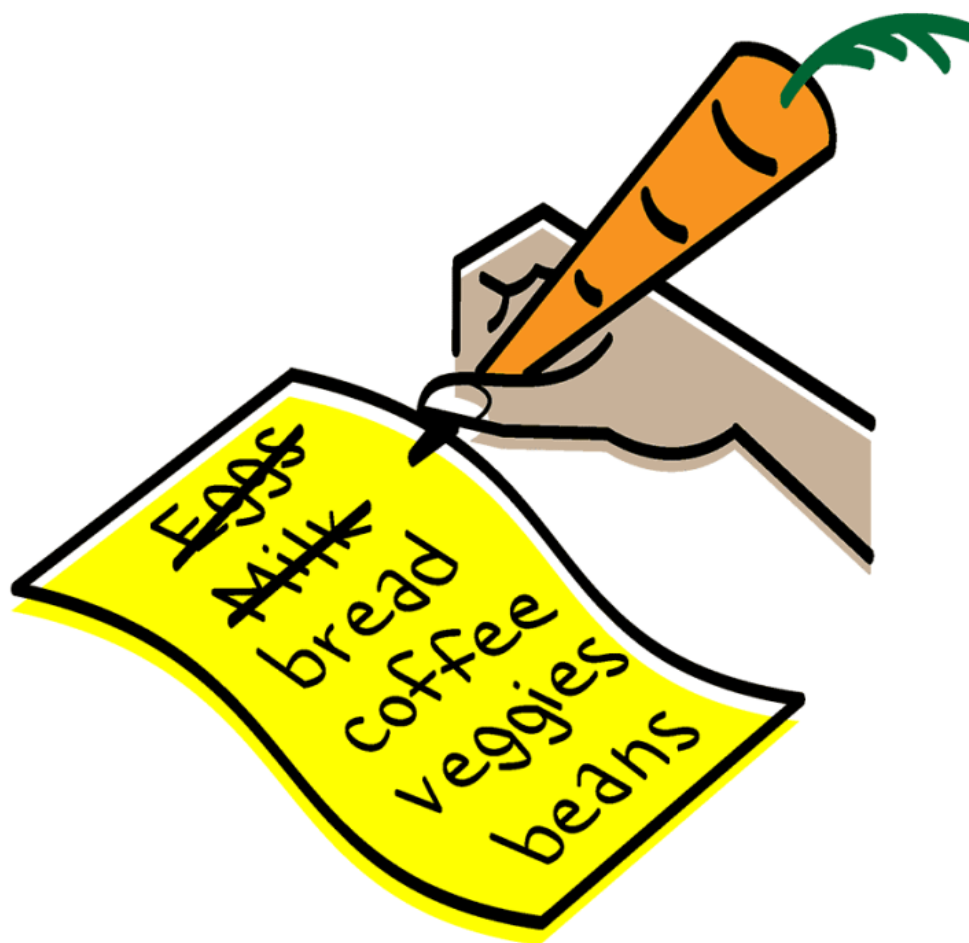


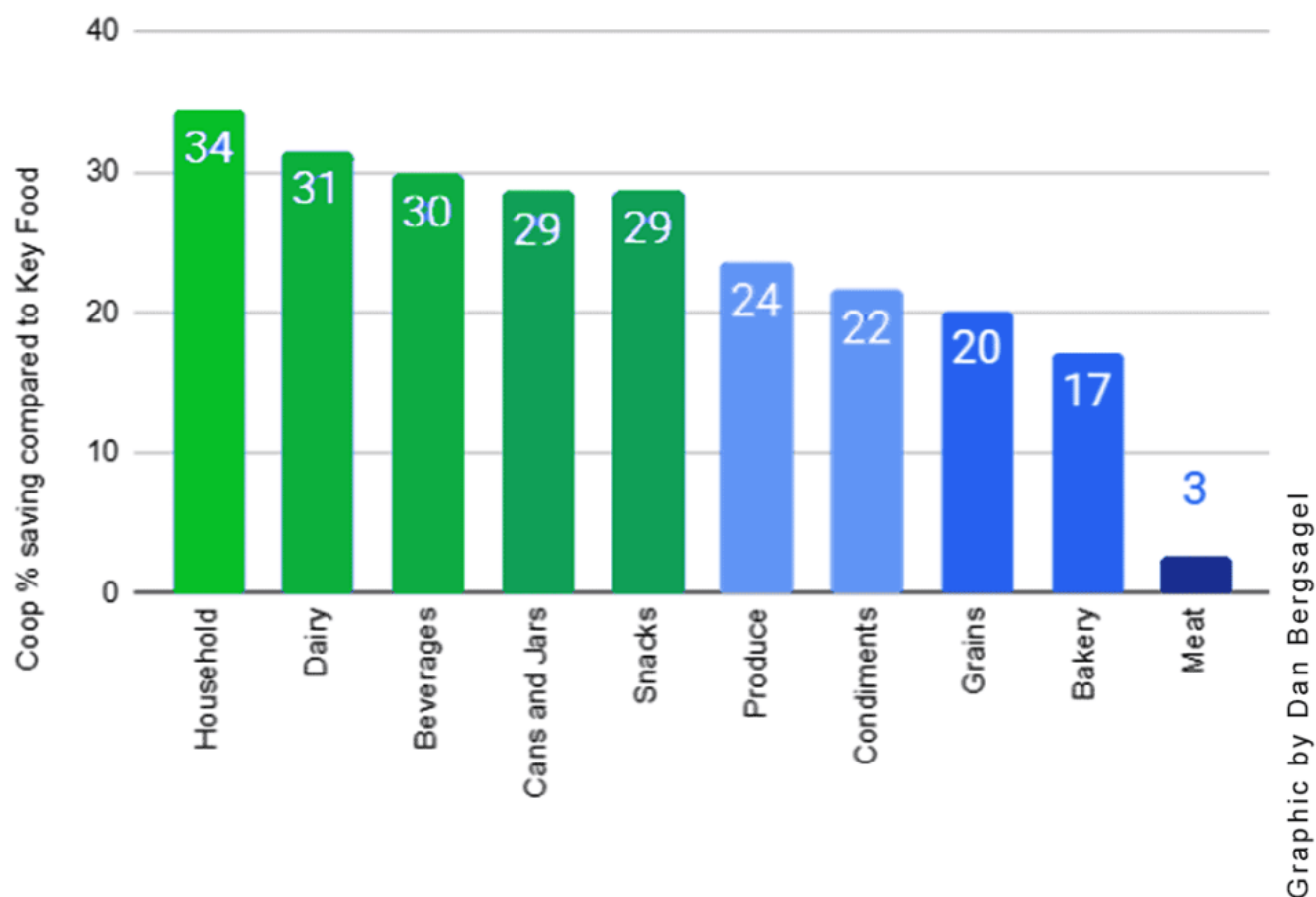
illustration by Stephen Savage

Overall, the savings were not uniform. The largest gaps were in household items, and the smallest gaps were in meat.

According to our survey, these are some items with the biggest savings:

- A bag of three romaine lettuce hearts at the Coop costs \$4.02, while at Key Food, the price was \$7.99.
- A box of 20 bags of Celestial Seasonings herbal tea was \$2.87 at the Coop, but \$5.49 at Key Food.
- Savings on cheese were especially notable. Eight ounces of Parmigiano Reggiano were \$7.45 at the Coop, compared to \$17.99 at Key Food. Eight ounces of BelGioioso mozzarella were \$3.10 versus \$5.49, and mature British cheddar was \$9.48 a pound at the Coop, compared to \$18.26 a pound at Key Food.

Here is a chart that showed how the overall comparisons ended up:



It's worth recalling the Coop's official pricing structure. Products are generally sold at a 24 percent markup over the wholesale price, a policy that explains why Coop prices are often cheaper than those at nearby supermarkets.

For our survey, we looked to the U.S. Bureau of Labor Statistics's Consumer Price Index (CPI) as inspiration to identify 70 items across 10 categories—produce, grains, bakery, cans and jars, condiments, meat, dairy, snacks, beverages and household goods—that represent a range of purchases members might make at the Coop.

On April 13, we walked the aisles of the Coop and Key Food, jotting down prices. We tried to compare the same items, but that was not always possible. At times, we chose the same brand in a different size (e.g., a box of 120 sheets of Kleenex and a

box of 160 sheets of Kleenex), with the price per equivalent unit calculated.

Where the same brands were unavailable, a closely matching brand was chosen (e.g., bulk-packaged quick oats and Quaker quick oats). Where the same item specification was not available, a comparison was made to the closest available specification (e.g., organic eggplant to non-organic eggplant).

One issue in comparing prices is the shopping floor footprint. The relatively small size of the Coop means it chooses not to stock a wide range of options for products, focusing instead on quality over quantity.

This has a particular impact on staples. If we compare pasta at similar levels of quality between the Coop and Key Food, the prices are close. However, this does not capture the fact that Key Food also sells more basic brands of pasta at lower prices.

For many common staples, such as rice and bread—where issues of animal welfare and pesticide use are commonly prioritized less in a shopper's decision-making—the Coop's focus on quality means that it would not necessarily be the penny pincher's choice.

One other complication is in how the Coop deals with price fluctuations, which are most apparent at the Coop in the produce section, where growing seasons and the impact of weather on crops can affect supply and demand.

Coop prices vary significantly week to week, given that they're generally the wholesale price plus the 24-percent Coop markup. For example, three weeks after the initial price survey, the grape tomatoes at the Coop had dropped from \$1.99 to \$1.28 for a dry pint. The Coop organic eggplant cited earlier in this article had dropped from \$2.73 a pound to \$1.86.

At other stores, the price for the shopper does not necessarily change as wholesale prices fluctuate. This factor can also lead to a misleading comparison of products

when an item is compared on only a specific day.

Interestingly, this is not the first time that such a comparison survey has been completed. A letter to the *Gazette* in 1992—uncovered in the *Gazette* archive at the Center for Brooklyn History—presented the results of a similar price comparison, using the same Key Food as a reference.

LETTERS TO THE EDITOR

To the Editor,

To satisfy my curiosity, I recently did a comparison between Coop prices and those at Key Food (Seventh Ave.) and Back to the Land. As it turned out, this was a fairly time-consuming project, so I thought I would save other members the effort by sharing the results in the newsletter.

The following is a limited list of grocery items, based only on what happened to be in my kitchen on the day I was inspired to do this! It is definitely not comprehensive; in fact, whole categories of items, such as produce, spices, oils, etc, are not included. In some cases, I was not particularly interested in comparing prices, as I was certain that the Coop offers a much better deal (i.e., spices, bulk items). But for the most part, this was simply a random effort. Members can use it as a base for their own comparisons. Also, it is important to

remember that the total savings reported may not represent the savings in a typical Coop shopping spree, as my list does include a fair number of high-priced staple items (i.e., tamari sauce, maple syrup, mayonnaise, sesame oil) which might not be purchased very often, and for which the price differential tends to be quite high.

The following prices reflect my shopping around the week of January 6, 1992. In only a few cases, the comparison is not between exact items, as they were not available. All Coop prices include the 16% mark-up. Prices in the "Other" column refer to Key Food prices, unless marked by a "BL," indicating Back to the Land prices.

Enjoy!

Sincerely
Deborah Melamed

Items	Coop (16% mark-up included)	Other
San-J Lite Tamari, 20 oz	\$3.11	\$4.59 BL
Grey Poupon Mustard, 8 oz	1.90	2.45
Heinz Ketchup 15 oz	1.00	1.15
Hecker's unbleached white flour, 5 lb	1.29	1.99
Annie's Shells/Cheddar-white, on sale	.82	.99 BL
Arrowhead Multi-grain pancake mix	1.70	1.89 BL on sale
Arrowhead Peanut Butter 18oz	2.29	3.79 BL
Land o'Lakes Tub of butter	1.04	1.65
Maple syrup, organic, 16 oz	4.15	6.79 BL
Linguini, Grano di Sole	.52	-
Linguini, DeCecco	-	1.69
Bearito Org. Cornchips, no salt, 1 lb	1.62	2.79 BL
Redpack crushed tomatoes, 1lb 12oz	.95	1.19
Hunt's tomato paste	-	.53
Redpack tomato paste	.37	-
Hunt's tomato sauce, no salt, 8 oz	.31	-
Delmonte tomato sauce, no salt 8 oz	-	3/\$1.00
Progresso roasted peppers, 7 oz	1.25	1.83
Goya Black Beans 16 oz	.60	.75
Goya Chick Peas 10 1/2 oz	.48	.45
Starkist solid white tuna in water	1.47	-
Starkist Solid white tuna in oil	-	1.55
American Prairie organic oats, 13 oz	1.33	-
Quaker Oats, per 13 oz	-	1.51
Golden Fresh boneless chicken breasts, per lb	2.88	4.49
Raisins, bulk	1.39	1.39 BL on sale
Red Zinger tea, Celestial Seasonings	1.72	2.49

Continued...

In 1992, the Coop price markup was 16 percent instead of the current 24 percent, but the overall price comparison outcome was remarkably close: a similar set of items established that Coop items saved an average of 24 percent when compared to equivalent items at Key Food.

The distribution 32 years ago was a little different. For example, condiments at the Coop were even cheaper—a 32 percent saving, as compared to 22 percent today. And household goods were in fact more expensive at the Coop—a 9 percent increase, as compared to a 34 percent saving today.

Only seven branded items from the 1992 comparison are still available today in the same size at both the Coop and Key Food: Annie's prepared pasta shells/cheddar white, Hecker's all-purpose flour, Annie's salad dressings, Philadelphia cream cheese, Celestial Seasonings Red Zinger herbal tea, Edensoy soy milk and a roll of Bounty paper towels.

These seven items at the Coop were 19 percent cheaper than at Key Food in 1992, but today are 34 percent off the Key Food price.

Dan Bergsagel is a structural engineer from London. He likes to talk about the unexpected things hiding in plain sight.