

LETTER TO THE EDITOR

Letter to the editor regarding Meter column

Received August 19, 2014; published online September 8, 2014

Citation: Gutknecht, D., & Stockinger, J. (2014). Letter to the editor regarding Meter column. *Journal of Agriculture, Food Systems, and Community Development*, 4(4), 5–6.
<http://dx.doi.org/10.5304/jafscd.2014.044.012>

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August 19, 2014

Dear Editor,

We truly appreciated mention of our study, “Twin Cities Cooperative Local Food System,” in JAFSCD, volume 4, issue 3 (spring 2014) in the column entitled *Co-ops and Collective Impact*, by Ken Meter. One of the goals of our case study was to profile a commercially viable local food system and to share that experience with food system developers. We have a couple of clarifying comments that we think might be of use.


Meter describes the independent nature of the 15 retail food cooperatives in the Twin Cities, while later acknowledging “a significant common vision of growing the co-op sector.” He notes that as independent stores, “each differentiates itself from the other, and often their competitive bent reduces any potential synergy.” While we certainly saw evidence of the limitations to possible synergies, we also found a number of significant ways these stores cooperate. We did not describe these local synergies in any depth in this report — our topic was local food, and the study was already long.

The synergies are not as strong as in a unified local retail co-op system (such as PCC Natural Markets in Seattle), but during the latter 20 years in particular, the Twin Cities food co-ops have often pioneered joint purchasing and standard operating practices, and these are now the norm.

One of the most powerful ways the independent retail stores cooperate is in the pooling and reporting of financial information through a national organization. Meter writes that “there has been only sparse mutual reporting of metrics,” and that is true on a local level. But beginning in 1987, Dave Gutknecht and Scott Beers collated and published pooled financial data from retail food co-ops nationally in the trade magazine *Cooperative Grocer*. More than 10 years later, this had evolved into a nationwide collaborative effort that gave rise to food co-ops’ Common Cooperative Financial Statements and a sophisticated data-sharing service now

offered by Co-op Metrics, Inc. These common metrics are invaluable decision tools for both managers and boards and provide benchmarks that often lead to sharing of expertise across stores. Co-op Metrics is a key success factor for our Twin Cities co-ops and others around the country.

Meter also highlights the important role we found played by the distributor Co-op Partners Warehouse (CPW) in supporting local food producers. We emphasize in the study that locally sourced food is only 20 to 25 percent of CPW sales. To be financially viable, and to offer its strong support for local producers, CPW must be a year-round supplier. Like other distributors, CPW needs volume to achieve efficiencies of scale, and it needs to retain its relationships with (retail and restaurant) customers year-round. Consequently, CPW sources organic product outside the region when product is not available within the region. There are two general approaches to local distribution: one is to focus exclusively on local; the other is to make local a part of a broader distribution program. CPW has taken this second approach.

Most importantly, we thank Meter and JAFSCD for referencing and highlighting our report. We refer people to the Cooperative Development Services (CDS) website for the full report, at <http://www.cdsus.coop>. 

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