

# ROOTSTOCK

ISSUE #28

SEP - OCT 2018

*The Official Newsletter of the* **Belfast CO+OP**

## STRONGER TOGETHER

**FROM THE DESK OF THE GM**

**IN 1895 THE INTERNATIONAL CO-OPERATIVE ALLIANCE WAS FOUNDED IN LONDON, UK AS A SUPPORT ORGANIZATION FOR CO-OPS WORLD-WIDE, HELPING TO UNITE COOPERATIVES OF ALL SORTS UNDER THE COMMON BELIEFS AND DEMOCRATIC STRUCTURE WE SHARE.** The ICA devised the Statement of Cooperative Identity, in which cooperatives are defined as "...an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise." The ICA also revised the founding cooperative principles in 1995, including the sixth cooperative principle, Cooperation Among Cooperatives, noting that "Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures."

In the tradition of the ICA, co-ops around the world have discovered the innumerable benefits that can be found when co-ops work together to meet common goals. In 2012 our co-op joined as an equity holder with 146 other co-ops from across the country as members of the National Co-op Grocers (NCG). Founded in 1999, NCG is a business services co-op made up of consumer retail co-ops, governed by a democratically elected Board of Directors made up of Designated Representatives (usually a General Manager) from the member co-ops. Much like our Belfast Co-op operates, the NCG Board hires a CEO who then hires staff to assist and serve the member co-ops. NCG offers several opportunities for independent local co-ops to take advantage of the shared resources that come from co-ops working together, including shared purchasing, worker development, management & administrative training, shared marketing and branding, and peer support. At the shopper level, our equity share in NCG has allowed us to offer consumers significant sales through the Co+op Deals program and more recently has allowed us to offer a low cost/high quality line of products through the Co+op Basics program.

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## P6: COOPERATION AMONG COOPERATIVES

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**BELFAST.COOP 123 HIGH STREET BELFAST, MAINE 04915 207.338.2532**

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By joining with other co-ops we are able to negotiate deals on packaging and services that we would not be able to receive on our own, and those savings are then passed on to our shoppers. Unlike franchises or common chain retailers, our “virtual chain” of autonomous co-ops exist in and are governed by their communities and the individual co-ops choose their level of participation in the programs and services that NCG offers.



This past year I was elected by my peers to serve as a member of the NCG Eastern Corridor Steering Committee. The purpose of the committee is to assist the NCG staff that work with the co-ops in the Eastern states to best meet the needs of the co-ops they serve. We meet monthly over the phone to review budgets and allocate resources for the Eastern Corridor and to assist and support the growth of the member co-ops.

We have been asked to assist when a co-op is struggling to survive and to look for ways to share resources to increase our overall economic impact. It has been an honor to serve on this committee with a handful of bright, passionate General Managers, and I am proud of the work that we have done to strengthen the cooperative food sector in the Eastern United States.

Co-operation among cooperatives is nothing new. Prior to the great depression, there were 2600 retail consumer co-ops across the country working together to meet the needs of their communities, and in the 1930's, as an outgrowth of the New Deal, coordination and collaboration among co-ops reached across sectors, from electric co-ops to credit unions to farm co-ops. I am thankful that through NCG we have access to a network of retail food co-ops across the nation and that our co-op benefits from working with others to meet the common goals and aspirations that we all share: good healthy food for our communities. I am thankful that we as workers and managers have a community of co-op peers to look to for guidance. Co-ops rise in response to hardships, and I am thankful that we have a co-op of co-ops that will help us weather the storms ahead and that our communities will be stronger together.

-Doug Johnson, General Manager

## who we are:

### OWNERS:

4298

### STAFF:

80+

### GENERAL MANAGER

Doug Johnson

### BOARD OF DIRECTORS

Alessandra Martinelli, President  
Andrew Watkins, Vice President  
Ernie Cooper, Treasurer  
Shannon Grimes, Secretary  
Betsy Garrold  
David Balicki  
Violet Zerbe  
Heather Selin  
David Gibson

### BOARD COMMITTEES

Finance:  
boardfinance@belfast.coop  
Owner Engagement:  
boardowners@belfast.coop  
Board Development:  
boarddevelopment@belfast.coop  
Expansion  
expansion@belfast.coop

## why we're here:

### THE BELFAST CO-OP EXISTS SO THAT OUR OWNERS AND OUR COMMUNITY WILL HAVE:

- A thriving, just, and sustainable local food economy
- A source of healthy, nutritious, affordable food, and water
- An efficiently managed, democratically governed inclusive cooperative retail store
- A greater understanding of health, food systems, cooperatives and economic and environmental sustainability
- An invested, engaged, and empowered staff that thrive in a safe, respectful, inclusive, and equitable workplace



# 7 COOPERATIVE PRINCIPLES

1. VOLUNTARY, OPEN OWNERSHIP
2. DEMOCRATIC OWNER CONTROL
3. OWNER ECONOMIC PARTICIPATION
4. AUTONOMY AND INDEPENDENCE
5. EDUCATION, TRAINING AND INFORMATION
6. COOPERATION AMONG COOPERATIVES
7. CONCERN FOR THE COMMUNITY

The Belfast Co-op adheres to the seven international cooperative principles which are guidelines by which cooperatives put their values into practice.

**Principle 6: Cooperation among Cooperatives,** Cooperatives serve their Owners most effectively and strengthen the cooperative movement by working together through local, regional, national and international structures. You are more successful when you cooperate with others who know how to cooperate.

Cooperatives are owned, controlled and operated for the benefit of their owner-members. Most corporations are controlled based on the number of shares owned, and distribute profits based on investment. But co-ops operate on the basis of one member, one vote, and return dividends based on patronage. Cooperatives take a number of forms.

A **cooperative (co-op)** is an organization that is democratically-governed by its owner-members. Each owner has one voting share. A **worker cooperative** is a cooperative in which the workers are the only owner-members. Each worker has one voting share and participates in the governance of the business.

Another group often included in this label are 'democratic' **ESOPs (employee stock ownership plan)**, where workplace democracy is a stated goal. It is not uncommon for workers to buy out their company as a democratic ESOP (sharing the risks and rewards of ownership with the former owner and/or other parties) and then begin the transition to a full-fledged worker cooperative.

There are many cooperatives we work with on a daily basis here at the Belfast Co-op. From producer co-ops to distributors and financial services: we are proud of our fellow co-ops!

*The Belfast Co-op and the greater community we are a part of is made stronger by working together.*

*adapted from: cultivate.coop*



## P6 at the Belfast Co-op

### PRODUCER COOPERATIVES

Port Clyde Fresh Catch - Gulf of Maine's finest seafood  
 Riojana Wine - one of Argentina's largest co-ops  
 Organic Valley - owned by 2000+ small family farms  
 Cabot Creamery - NE dairy co-op since 1919  
 Frontier Co-op - herbs, spices & more since 1976  
 Alaffia - fair trade & socially progressive body care  
 Our own Co-op Deli & Bakery - you own it!

### WORKER COOPERATIVES

Rock City Coffee - Coffee roasted in Rockland  
 FEDCO - beloved cold hardy seeds, plants & trees  
 Equal Exchange - fair trade coffee, chocolate, & more  
 Alvarado St. Bakery - an original organic bakery  
 Real Pickles - NE locally grown fermented veggies

### EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

Bob's Red Mill - quality whole grains & natural food  
 King Arthur Flour - the baker's gold standard  
 Tierra Farms - bulk organic nuts, seeds, & snacks  
 Once Again - premium nut butters & spreads

### COOPERATIVE BUSINESSES

Collective Copies (worker co-op) - they print this!  
 Down East Federal Credit Union - financial services  
 Crown O' Maine (worker co-op) - distribution  
 National Co-op Grocers (NCG) - the Co-op of co-ops  
 CDS Consulting Co-op - development & support



**CROPP COOPERATIVE**  
 organic and farmer-owned since 1988





# WHY EQUITY MATTER\$

## A CONVERSATION WITH THE BELFAST CO-OP BOARD OF DIRECTORS

Equity is the lifeblood of any cooperative enterprise. When our consumer cooperative began more than forty years ago, there was little talk about the future capital needs or how the co-op could leverage our assets to grow. Owner contributions were not even qualified as equity for much of our history. Now as we prepare for the next stage in our evolution, the Board of Directors is carefully evaluating the capital needs of our enterprise and deciding how best to grow our impact.

## EQUITY IS THE FINANCIAL REPRESENTATION OF YOUR SHARE OF OWNERSHIP IN THE CO-OP.

The discussion that we have been having with the ownership over the past year in regard to equity has been focused on two points:

- **Our equity share is disproportionately low compared to our co-op peers and does not position us well for future growth, and**
- **The \$15 annual fee is fundamentally undemocratic and robs equity holders of their voice.**

To that end, we are considering eliminating the annual fee and increasing our owner equity share in the coming year.

**Q. How would this change affect my annual contribution to the Co-op as an owner?**

**A.** It won't. We are committed to making this change as seamless to the owners as possible, so the \$15 that you have historically paid to the Co-op each year as a fee will now go towards your equity.

**Q. What is the difference between fees and equity?**

**A.** It is a pretty big difference, one that we believe is fundamental to the cooperative economic model. The fees were accepted by the Co-op over the years as taxable income. With the change, that \$15 annually will now go towards your owner equity account and remain with you as long as you decide to stay invested in the Belfast Co-op.

**Q. Will I continue to pay \$15 a year forever?**

**A.** No. Once you pay off your full equity share, you don't pay any more. There is always the possibility that equity would increase again somewhere down the road, dependent upon the capital needs of the Co-op, but our hope is that we can find an amount of equity investment that makes sense now and that will make sense for years to come.

**Q. Can I pay off the whole equity share at once?**

**A.** Absolutely! If you have the means to pay off your whole share at once you will immediately make a positive impact on the financial condition of your Co-op. Plus, if you pay it off you will have no more annual payments!

**Q. Will our CORE (Cooperative Ownership Reaching Everyone) equity assistance program still apply?**

**A.** Yes! All of the programs that we currently offer will still apply if we increase the equity share.

**Q. How much will the new equity share be?**

**A.** We are still determining that. The average for other co-ops our size and in our area is in the \$150-\$250 range. It will depend on what the Board and Co-op Management determine are the capital needs of the Co-op for the foreseeable future.

**Additional questions, comments, or suggestions may be e-mailed to the Board Finance committee: [boardfinance@belfast.coop](mailto:boardfinance@belfast.coop)**



For every \$1,000 a shopper spends at their local food co-op, \$1,604 in economic activity is generated in their local economy, 15% more than a conventional grocer



The majority of American farmers are members of the nearly 3,000 farmer-owned cooperatives



Worker co-ops provide employment stability, reducing the turnover rate from 60% to 15%

One third of Americans have ownership in a cooperative



More than 100 million Americans belong to a credit union, one third of the total population



More than 1.5 million families live in cooperative housing



# common cents recipients

SEPTEMBER

**THE FRIENDS OF THE BELFAST FREE LIBRARY** are volunteers who come together because they value and care about the Belfast Free Library and seek to enhance and maximize the library's role in the community. The Friends believe that enriching the library's resources helps to create a strong library which in turn ensures a strong community. The Friends raise money to fund programs, materials and equipment that help the library staff better meet Belfast's need for quality library service. The Friends have enabled the library to purchase automatic lobby doors, computers, fish tanks, and furnishings for the children's room, microfilm scanner/printer, video projection system, and funded the Teen Space. Membership in the Friends is open to anyone interested in supporting the Belfast Free Library.

More info at <https://belfastlibrary.org/friends-of-library/>



## FOOD FOR MAINE'S FUTURE

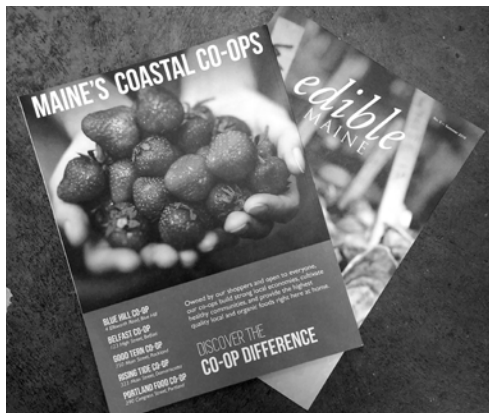
is made up of advocates and activists for small farmers, farm-workers, and their patrons against the corporate food monopoly. Food sovereignty is rooted in the ongoing global struggles over control of food, land, water, and livelihoods. FMF seeks to build a just, sustainable and democratic food system to the benefit of all Maine farmers, communities and the environment. They continue to work to pass legislation that enables small farmers to stay on the land and make a living, while ensuring unfettered access for consumers to foods of their own choosing. In 2017 they got passed and signed into law "An Act To Recognize Local Control Regarding Food Systems" a statewide recognition of food sovereignty.

More info at <https://localfoodrules.org/resources>



OCTOBER

**ROUND UP AT THE REGISTER** in support of worthy causes - each month at #yourbelfastcoop. In July co-op shoppers donated \$4,262.29 to the Belfast Bay Watershed Coalition and at time of printing (August 22) \$2,961.73 to Waldo County YMCA.



## MAINE'S COASTAL CO-OP CONNECTION

Starting in the fall of 2016, the Belfast Co-op started an initiative to increase the awareness of co-operatives in the state of Maine and to broaden the reach of our advertising efforts by partnering with our co-op neighbors: Blue Hill Co-op, Good Tern Co-op, Rising Tide Co-op, & Portland Food Co-op.

Co-ops generally have pretty slim marketing budgets, so making wise decisions on where to advertise can be a daunting challenge. Major publications have a steep cost to their advertisements; by combining resources, Maine Coastal Co-ops have been able to gain greater purchasing power and recognition through these major publications increasing our

collective impact. Our shared endeavors began with a full page ad in Down East magazine and the Common Ground Fair edition of the MOFGA newsletter, and have continued with the coveted back page of Edible Maine magazine. "As a magazine with a mission to shift people's connections back to local and sustainable foods, promote local farms and the policy awareness that keeps them thriving, Edible Maine is thrilled to partner with such a similarly minded initiative of the Maine Coastal Co-ops." -Chris Ellis, Editor in Chief

Each of Maine's co-ops are autonomous and unique in their own way, however we were all founded on the same values and principles and we are all working to bring more good local food to our communities. We all have our own struggles differentiating our stores from the competition and one way we can build loyalty to our current shoppers and owners, as well as to reach those unfamiliar with coops, is by joining together in our collaborative outreach efforts. Ultimately co-ops working together to tell the story of Maine's strong local food economy and the unique role that food co-ops play in that economy benefits everyone.

-Carisa Carney, Marketing Manager

**DISCOVER THE CO-OP DIFFERENCE 5**

# expanding the belfast co-op

## THE BELFAST CO-OP HAS ALREADY EXPANDED THREE TIMES IN THE PAST.

First in 1976, from a local buying club to a storefront on Upper Main Street; then in 1985 to a second, larger storefront on Lower Main Street; and most recently in 1993 to our current location on High Street. We've spent a full quarter-century in the current space, and the Board of Directors has considered expanding or relocating periodically for a decade, but has not yet taken action. This year's shopper survey shows that 69% of our shoppers favor expansion, with only 3% opposed to the idea.

Our Co-op building does not meet modern requirements for ADA compliance, energy efficiency, or electrical and fire safety. There is neither a loading dock nor elevator for unloading and moving materials and inventory throughout the building. The physical strain of requiring staff to lug heavy and bulky items up and down the narrow, twisted stairwells is an inefficient use of time and raises safety concerns. There is a distinct shortage of bathrooms (if you're like me, you've spent time looking at the wines or fresh meats waiting for a turn). Much of the equipment, like refrigerator compressors that were purchased pre-owned decades ago, are showing their age. There is more than \$500,000 in deferred maintenance, meaning that equipment could fail at any time, leading to expensive repairs and disruption to the store's operations and sales. In the time that the Co-op store has been in the current space, the Waldo County population has grown by 20%, and interest in organic food sources has jumped dramatically, with organic food sales more than doubling nationwide in just the past decade.

However, the primary reason to expand our Co-op is to increase our positive impact in the community!

With careful planning for a larger facility, we will increase our positive impact in Belfast and the Midcoast area. The Board of Directors has been looking at a variety of options, including:

- Building new on the current site
- Renovating and expanding the current building
- Purchasing a new building, either for a complete relocation or a 2nd store/café



## WHY ARE WE TALKING ABOUT A PHYSICAL EXPANSION?

We have determined that “doing nothing” is not an option if we are to ensure the longevity and health of the Co-op. As we gather more information about the costs, benefits, limitations and opportunities of each of these options, we will be able to further narrow these options. We have heard our owners' and shoppers' strong preference for remaining downtown.

Last year, we had more than \$8 million in sales, with more than 35% of products sold produced locally, supporting Maine farmers and businesses. Market research shows that the Belfast Co-op would increase sales by more than 50% within the first three years of opening a larger store, if the sales area is increased to 10,000 square feet. This would increase our positive economic impact in the region, and create more jobs - both in store and with our local farms and other vendors. In addition to expanding the size of the Co-op store, we also want to increase our ownership. While the ownership has grown steadily for years, our 4,200+ members represent only ~10% of the local population (within 20 miles), and many of the owners are seasonal visitors. Within the Board of Directors, we are currently developing goals for owner and sales growth in the coming years.

Many co-ops around the country have expanded their stores and offerings in recent years. This provides a depth of knowledge and experience for us to pull from as we proceed. For example, a typical food co-op expansion/relocation/construction project costs at least 50% of their annual gross revenues, meaning that we're looking at a potential project cost of \$4 million or more. How will we pay for it? Typically, food co-ops fund expansion through a combination of owner equity, owner loans, and traditional bank financing.

There are many ways that you can be more involved with the expansion project. You can volunteer for any of the Board's committees: contributing your time toward making our Co-op stronger. Look for our new info booth in the store, where you'll find updates on the expansion project, and where you'll be able to talk with board members (at set times) to share your ideas for what to add, change, or keep in a new facility.

**In the end, the Co-op belongs to all of us. How would you like to see it change and grow?**

*-David Gibson was appointed to the Board at the July 26th meeting and works for ReVision Energy.*





# upcoming classes

## INFLAMMATION

### WHAT IS IT AND WHAT CAN I DO ABOUT IT?



**Wednesday September 26 6-7:30pm**  
at the Unitarian Universalist Church,  
37 Miller St. Belfast

**Inflammation affects the entire body** from gut to brain, from cuts, and abrasions on the skin to joint, organ, vascular and cellular health. Runaway inflammation today can lead to gradual and increasingly serious cognitive challenges over time to a wide array of possible health issues in your future. We want to avoid the decline of health- through education, prevention, and understanding. This class will share how you have more power over inflammation and your health through your dietary and lifestyle choices than you may realize.

For nearly as long as humans have existed we have known our air, water, foods and environments to be clean and pure. Food has always been food, and mostly it has been fresh, fibrous, in season, local and nutrient dense. Modern food has changed and you may be surprised to discover how our collective assumptions, even about many of our 'health foods', have become hidden sources for igniting and sustaining inflammation in our bodies. We will identify and discuss common causes and factors and what solutions and alternatives there are to combat chronic inflammation.

Instructor ShabdSangeet Khalsa has recently come from Alaska to settle on a small organic farm near the town of Monroe. She has always had a passion for holistic health, becoming a Functional Medicine Certified Health Coach was a natural choice to help her community reclaim and sustain their best health. She weaves together her skills with nature, gardening, food as medicine, energy healing, Dancing Light Orchid Essences, and Reiki.

## FOOD FOR MAINE'S FUTURE LOCAL FOOD SOVEREIGNTY



**Wednesday October 24 6-7:30pm**  
at the Unitarian Universalist Church,  
37 Miller St. Belfast

**How does a community take control of their local food system?** The Declaration of the Forum for Food Sovereignty states: "Food sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations. Food sovereignty implies new social relations free of oppression and inequality between men and women, peoples, racial groups, social classes and generations."

In the class, we will talk about the seven principles of food sovereignty, their history and application. We will discuss and share the work being done in Maine to promote these principles. Specifically covered will be the passage of the food sovereignty law in the Maine legislature in 2017 and the passage of food sovereignty ordinances in 40+ towns and cities around the state. The instructors will share how this knowledge can be used to transform and protect our local food systems.

This class will be presented by several board members of Food for Maine's Future. Betsy Garrold, President, also serves on the Belfast Co-op board and is VP of the Nat'l Family Farm Coalition. Heather Retberg and Richard King are both local farmers and activists serving on the Board of Directors of Food for Maine's Future and Local Food Rules.

If you are interested in signing up for one of these classes, please call the Co-op @ 338-2532  
Additional questions may be sent to [jamie@belfast.coop](mailto:jamie@belfast.coop)

**LOVE • LOCAL • FOOD**

### Board Meetings

**September 27**  
**October 25**

6pm Social Time, 6:30pm Meeting

**Unitarian Universalist  
Church of Belfast**

37 Miller St.

### OWNER SOCIAL

**September 4 • October 2**

Get to know fellow co-op owners and  
board members at our monthly gathering,

**4-5pm in the Co-op Cafe**

### STAFF PICK



**KAREN**  
**GROCERY BUYER**

I admit I am completely addicted to **Brazen Bakery's Flatbread Skinnies** locally hand-crafted, wonderfully crunchy and flavorful crackers! I love them with cheeses, hummous, sardines, & salads: they really look gorgeous served on a cheese board. Jeff and Lisa at Brazen Baking put their heart and soul into their creations & you can certainly taste it in everything they create!

### CO+OP CALENDAR

Sept 1-7 ..... Owner Appreciation Week

Sept 3 ..... Labor Day

Sept 4... Owner Social, 4-5pm in the Café

Sept 8 ..... Maine Outdoor Film Fest  
at Waterfall Arts 7:30pm

Sept 5..... **NEW SALES CYCLE BEGINS**

Sept 19..... **NEW SALES CYCLE BEGINS**

Sept 21 -23 ..... Common Ground Fair

Sept 28..... **Love Local Day:**

Tasting by Indian Meadow Herbs 11:30am

Sept 26.... Co-op Health Talk: Inflammation

Sept 26..... Art in the Cafe: Russell Kahn

Sept 27 ..... Co-op Board Meeting, 6pm

at the Unitarian Universalist Church

Sept 28..... Last Art Walk 2018

Oct 2 ... Owner Social, 4-5pm in the Café

Oct 3..... **NEW SALES CYCLE BEGINS**

Oct 17... **NEW SALES CYCLE BEGINS**

Oct 24... Co-op Talk: Food for Maine's Future

Oct 25..... Co-op Board Meeting, 6pm

at the Unitarian Universalist Church

Oct 26..... **Love Local Day:**

Tasting by Maine Medicinals 11:30am

Oct 30..... Art in the Cafe: Lisa Mishou

Oct 31..... **NEW SALES CYCLE BEGINS**

Oct 31 ..... Trick or Treat at your Co-op



**Everyone  
saves 10% on  
all local items  
all day!**  
**#lovelocalfood**