

Bringing Grocery Stores to Low-Income Urban Food Deserts

BY MARY STENNES WILBOURN

Access to healthy food for all people is a growing concern in the United States. The retail food co-op community is not alone in looking for ways to help low-income and underserved areas gain access to a good food supply. People from nonprofit and corporate sectors, as well as governmental agencies, are looking for ways to bring healthy food options in line with people's budgets and neighborhood needs. A wide range of models is being tried—nonprofit, charitable, corporate, governmental programs, cooperatives, and various partnerships. Few of these models have been tested over time to demonstrate whether one of them may provide a sustainable solution for these communities.

When people contact Food Co-op Initiative (FCI) for help in starting a low-income neighborhood co-op, or information on nonprofit-supported stores in low-income areas, we do not have one just answer. Nor do we have all of the answers.

FCI has held two forums with a large cross-section of co-op development groups, funders, startups, and existing co-ops in low-income communities. These opening discussions have been helpful in defining some of the unique challenges faced by co-ops and other retail grocery stores that are looking to bring food options to underserved areas. Examining some of the challenges these startups face can frame the discussion of how the larger co-op community can offer support.

The present overview is followed by a look at several current co-op startups, nonprofit partnerships, and nonprofit stores that are trying to fill in gaps and bring healthy, affordable food where it is needed.

Key issues

Several key challenges are characteristic of retail grocery enterprise in low-income urban areas.

Funding: Clearly, insufficient funding is the largest obstacle to success in fulfilling the long-term grocery needs of any community. While a food co-op in a middle- to high-income setting may be able to rely almost exclusively on membership, member equity, and loans to develop and open a store, lower-income communities usually need assistance from nonprofits and community-development funding sources. For low-income communities, these additional sources of funding will probably be required at some level throughout the life of the store. For stores with a nonprofit model that are not co-ops, this funding need may be even greater.

Feasibility: Urban food deserts may need some creative solutions to the standard feasibility issues facing co-ops. By keeping the store in the neighborhood being served, site selection may be limited. Available

distribution centers may be hard to locate or unable to meet local pricing needs. The issues of neighborhood attachment may override traditional assessment of community support. In addition, the long-term commitments of local nonprofits or community development organizations may need to be reviewed.

Neighborhood attachment: Neighborhood commitment and involvement in these projects from the beginning is extremely important. If a store is simply “planted” to fill a need, be it nonprofit or corporate, the opportunity to build a permanent relationship in the neighborhood can be lost. The store must meet the neighborhood's needs and be responsive to changes. Community-driven decisions on site, size, inventory selection, community space, price points, and many other areas help to build this attachment. Concerns over community issues such as possible gentrification needs to be considered. These discussions must continue through the entire life of the store.

Sustainability: A store that cannot adapt over time and sustain itself will not meet the long-term needs of its community. As funding and trends change, will corporate and nonprofit commitments to these urban food deserts remain? Can a nonprofit-supported cooperative endure? Many of the issues that other co-ops face for sustainability will apply. However, finding the right balance for these underserved neighborhoods may take additional vigilance in monitoring and adjusting for success.

A handful of stories

Within that framework of issues for low-income food co-op development, here are a few stories of how some communities are working to meet these challenges:

Renaissance Community Co-op (RCC): an exciting co-op startup with nonprofit support (<http://renaissancecoop.com>).

Greensboro, N.C., is home to over 270,000 people with a diverse demographic. Like many cities, it has large pockets that qualify as food deserts, including the neighborhood where RCC is planning to open a co-op. When the only major grocery store in this area moved out years ago, the local community immediately began organizing and rallying for a store to replace it. They worked with the city, local agencies, and big-name stores, trying to make it happen.

Their partnership with the Fund for Democratic Communities (F4DC) brought a new perspective: consider a retail food co-op. “You mean we could own it ourselves?” was the surprised reaction from the group. They reached out to F4DC and others, partnering with the City of Greensboro on many issues and creatively seeking funding to help move the project forward. “But it would never have happened if the local community organizers weren't so far along on building the movement,” said Dave Reed of F4DC. “It is clearly their project—the rest of us are technical advisers.”

The store will carry the conventional foods that the neighborhood wants and will work with area farmers as well. Their website offers the powerful community-based video marketing they have created to build membership. RCC is moving ahead with its site and has recently hired a general manager. ▶

Food Access Terminology

Food Co-op Initiative uses the terms food desert as well as low access or limited access, along with underserved. No one term accurately describes every situation, but the lack of access to healthy and affordable food leaves a void in many communities.

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Barely visible in the photo, LaDonna Sanders-Redmond (see p. 17) and store manager Ray Williams cut the ribbon in front of a big crowd at the Oct. 6 opening of the Seward Co-op Friendship store in Minneapolis—at which 60 percent of the staff are people of color.

Join the ongoing discussion

At Food Co-op Initiative, we have not found a perfect method of sharing co-op startup stories and resources, but you can join our starting point—a Facebook group, “Meeting the Need,” located at:

<https://www.facebook.com/groups/940840792626967/>.

Detroit People’s Food Co-op: a community group meets needs with gardens and a co-op (<https://www.facebook.com/detroitpeoplesfoodcoop>).

Detroit, Mich., is a city of high contrasts. As the city works to come back from massive economic losses, some areas are revitalizing in high gear. Others remain shells of their former selves, with blocks of boarded-up homes, few jobs, and little access to healthy food. The Detroit Black Community Food Security Network (DBCFSN), a nonprofit agency, has been working to build urban farms and improve food access for historic neighborhoods. Their community garden efforts have expanded, and they have been running a buying club. The long-term goal is a member-owned retail food co-op in the heart of Detroit.

“The DBCFSN thinks that cooperative development is the best way to pursue redeveloping Detroit with justice and equity in mind,” says Malik Yakini, executive director and a food co-op champion. Very recently, the city of Detroit has joined the effort to obtain a site at low cost and continues working with the group. A grant has brought an Emerson National Hunger

Fellow into the group to work on community outreach and membership development.

Outpost Natural Foods: building a “pop-up” store (<http://www.outpost.coop> and <http://www.walnutway.org/commons>).

In Milwaukee, Wis., Outpost Natural Foods has been a thriving co-op for many years. In late 2015, Outpost will be opening a “pop-up” store—a retail space of under 700 square feet in a high-need area of the city. Pam Mehnert, the general manager, is hoping this endeavor gives them the access, experience, and input they need to expand this into a larger, permanent store. This pilot is cosponsored by Walnut Way Conservation Corp., which has been working with Outpost since 2003 to improve access to healthy food throughout the area.

The pop-up store will be located in a new wellness center that includes many businesses. “We can get a lot in 700 square feet, trust me. Our focus is to supplement what is missing from the neighborhood,” Mehnert explains; there are several nearby convenience stores that carry conventional foods. “It takes a partnership such as the one we have built with Walnut Way to understand the need, understand how and why the co-op would be a good fit—meet with the neighbors, understand what they value, what they fear, build trust. What surprised me (later) was learning how community gardens and food is the ‘foot in the door’ to addressing change in an impoverished neighborhood.”

Good Grocer: a peek at a nonprofit grocery store (<http://goodgrocer.org/>).

There are many examples of nonprofit grocery stores across the

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For general information about the CBLD program visit: www.cdsconsulting.coop/cbl_d

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country. Good Grocer is a small storefront in South Minneapolis, Minn. The store brings fresh produce to a neighborhood filled with immigrants from three continents as well as long-term residents. With an array of fresh produce and shelf goods, the nonprofit supports the price points to fill a niche between food banks and full-sized grocery stores. Highly accessible by bus, light rail, and foot traffic, it stocks over 3,000 items sourced from conventional distribution centers.

Kurt Vickman founded the store based in a faith community and sees it as a vital bridge between food shelves and traditional stores. “We are mission-based, and we want to break the dependency that some people feel when using the food bank system,” shares Vickman. While the store is open to the public, registered members receive a deep discount, and the support work of volunteers augments a small paid staff. Funded entirely by donations, the store has seen steady increases in traffic and sales.

New Orleans Food Co-op: open for four years in an evolving city (<http://www.nolafood.coop/>).

Even before the big hurricane, a group of community members was organizing for a food co-op in New Orleans, La. When rebuilding became possible, their planning took off, and the “NOLA” Food Co-op opened in 2011. Situated in the heart of New Orleans, on the cusp between a working/middle-class area and a lower-income section, the co-op worked hard to welcome both neighborhoods.

General Manager Lori Burge feels that early and ongoing partnerships within the community have been vital to its success. The city and the local Goodwill are supporting an internship program for youth ages 14–21, and several of these interns have advanced through worker training and employment at the co-op. A program with a local university created cooking classes, meal plans, and recipes for inexpensive, healthy meal options. These highly affordable meals have brought people in to explore other options.

The co-op is now at 3,700 members; a high percentage of these are on the limited-income membership plan and are excited about great natural foods in the store. The co-op also has a working-member program to help people access food. “When the co-op was forming, the idea that anyone could be an owner was empowering to the community,” Burge says. Her co-worker, AJ Hess, commented that they did not have enough training for new employees when they opened: “No one near the co-op had ever worked in a grocery store before, so pick tickets and inventory issues, as well as learning about the natural foods in the store, required far more training time than we had expected.”

Startups and open co-ops: forging new ground in urban food deserts.

In recent years, we have seen several new co-ops open in underserved areas. Mandela Foods Cooperative in Oakland, California (<https://www.facebook.com/Mandela-Foods-Cooperative>) is a linked partnership with a nonprofit that brings access to distribution points and helps to support their storefront through financial and consulting support. Presently a worker co-op, it has built strong connections in the local community. In Houston, Texas, NuWaters Co-Operative (<https://www.facebook.com/NuWatersCooperative>) opened in 2014 with a core group of community



members; they have developed their own network for distribution and strong relationships with farmers in the area. Pogue’s Run Grocer (<http://poguesrungrocer.org/>) in Indianapolis, Ind., has wrestled with finding the right balance of natural and conventional foods and in joining the existing community in a respectful way.

Additional new co-op initiatives in this vein are underway in Port Arthur, Texas, as well as in Pennsylvania and California. There are dozens of other partnerships and creative plans being brought forth. They share a parallel goal of meeting food needs for an urban area that has limited access to food, often with limited income as well.

At Food Co-op Initiative, we have come to recognize that one co-op model will not fit for all the communities seeking to meet their own needs for a grocery store. This new aspect of the industry is a learning experience for everyone. By sharing what we learn, we hope we can all work to help co-ops open in high-need areas and see them thrive for many years to come. □

Editor’s note: New England’s Cooperative Development Institute recently published its own commentary with project details on cooperative as well as nonprofit food stores in food deserts and low-income urban neighborhoods: <http://www.cdi.coop/food-coops-food-deserts-low-income-communities/>.