

FOOD HUB CASE STUDY

West End Food Co-operative

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For this case study interviews were conducted in the Fall of 2014 with James Partanen, the West End Food Co-operative's Co-op Co-ordinator; Susanne Redekop, the West End Food Co-operative's Communication Co-ordinator; and Ayal Dinner, a Founding Member of the West End Food Co-operative.

WEST END FOOD COOPERATIVE

RATIONALE

The West End Food Co-operative (WEFC) is an example of an urban multi-stakeholder food co-operative. Stakeholders are connected at point-of-sale at the co-operative's retail store location and farmers' market and at the processing stage of the supply chain through their Co-op Kitchen programming. As a multi-stakeholder co-operative the members engage in a collective decision making process. The WEFC functions as a non-profit food co-operative motivated by the primary goal of making fresh, local and healthy food accessible in Toronto's Parkdale neighbourhood.

BACKGROUND INFORMATION

HISTORY/FOUNDING

In 2008 a handful of people living in the west end of Toronto came together in an attempt to make fresh, healthy and local food more accessible in their neighbourhood. Due to limited start-up capital, the founders chose to address the need for fresh, healthy and local food by starting a weekly farmers' market with the intent of one day expanding to a neighbourhood food co-operative. "We saw it as a way to get producers and consumers connected. Markets are one of the direct ways that can happen at the same time as creating a community space," explained Ayal Dinner, one of the co-operative's founding members. Thus in 2008 the Sorauren Farmer's Market began.

In 2010, the Community Cannery initiative was started with the purpose of teaching participants how to preserve fresh local food. At that time the WEFC did not have its own facility and relied on community kitchens, such as the Foodshare kitchen and church kitchens, to run its community cannery. The Community Cannery programming expanded in 2011 to include a Community Supported Orchard (CSO) program. Participants of the CSO program purchase the series, which is similar to a share, at the beginning of the season to cover farmers' cost and the co-operative's facilitation expenses. As the fruit is harvested, participants are provided with their seasonal fruit, and preserve the fruit collaboratively with 12 other participants and with the support of WEFC staff.

Around the same time the CSO program began, the WEFC underwent a community food Mapping project to identify where people in community were purchasing their food. The Mapping project acted as a vehicle for community engagement, provided information to support grant applications, and helped inform the location of their co-operative store. Outcomes of the Mapping project confirmed that the Parkdale and High Park neighbourhoods were income-accessible food deserts, particularly South Parkdale. The Mapping project was also a very successful community engagement tool. After completing the Mapping project, organizers noticed increased interest from the community in regards to receiving updates on progress of the store's development, as well as increased willingness to become involved.

In 2011, the WEFC found a space within the Parkdale Community Health Centre, at Queen and Dufferin, to establish its co-op retail location. Fourth Pig Worker's Co-operative was hired to help with the eco-friendly renovations. The WEFC's co-operative grocery store opened in October of 2012. The WEFC's location includes a kitchen for canning workshops and the community supported orchard series. The kitchen also prepares food for take-away that is sold through the co-op store and weekly at the Sorauren Farmers' Market.

The various programs the WEFC started prior to opening the co-operative maintained momentum of the founding members, built trust within the community, and demonstrated commitment to the producers. Dinner describes them as stepping-stones that were achieved along the way. The relationships and trust that was built through the Sorauren Farmers' Market, and the Mapping project, was beneficial in executing a community bond campaign that helped fund the opening of the co-operative. Various sources of funding were used to begin the co-operative including, grants from Green TO, The Co-operators, Alternasavings, Metcalfe Foundation, Friends of the Greenbelt Foundation, and a Trillium grant, as well as funding through individual donors, members' fees, and community bonds. As of Fall 2014 the Sorauren Farmers' Market, the Community Cannery, and the Community Support Orchard program are all self-sustaining WEFC programs. The goal for the WEFC store to also be self-sustainable through sales. This is an area the co-operative was working towards at the time this case study was completed.

GOALS/MANDATE

The WEFC is a multi-stakeholder co-operative comprised of consumers, producers, workers, and community partners. The co-operative model offers a "response to a food system that is out of our hands," Dinner explained. As a multi-stakeholder co-operative, the WEFC has a long and varied list of goals given the diversity of the stakeholders involved. According to its website:

"West End Food Co-op connects local farmers to local eaters, and produces self-sustaining initiatives that work for the community. Our co-op is working to increase markets for local, sustainable farmers and artisan producers; a fair, democratic, and meaningful workplace for our workers; an inspiring, community-driven, and welcoming place to shop, learn and connect for eaters; and a resource and valuable partner to work with community groups in Parkdale and across Toronto to improve food security and access to good, healthy, real food in our neighbourhood and beyond. We aim to provide the means for people to make empowering food choices, and have access to fresh, healthy foods" (West End Food Co-op, Unknown).

Based on interviews with the WEFC Communications Co-ordinator, Susanna Redekop, and the Co-operative Coordinaor, James Partanen, it appears that while the co-operative has many goals the overarching mandate is 1) to make local, healthy food more accessible in the immediate neighbourhood; and 2) to reduce income barriers to accessing that local, healthy food. A key component of meeting these goals is building relationships with local farmers and food producers, Partanen explained.

ACTORS INVOLVED

The WEFC is Toronto's only multi-stakeholder food co-operative. This is a significant component of the WEFC as the diversity of stakeholders, with differing priorities (ie. workers' desire for fair wages, consumers' desires for lower prices, and producers' desire for fair unit prices), increases the potential of additional complications in decision-making processes and in arriving at consensus. There is a 12-person board of directors that is comprised of representatives from each of the stakeholder groups and a variety of sub-committees.

Consumers make-up the largest component of the membership and are largely located in the Parkdale neighbourhood. The WEFC defines local as anything produced within a 100 km radius of the co-operative. All customers, distributors, and suppliers are located within 100 km of the co-operative. Partanen describes the WEFC as a community network in relation to consumers, workers and community partners but more as a regional network in regards to producers they deal with directly. The WEFC deals directly with fruit and vegetable producers as far away as Grimsby. While the WEFC strives to find local producers, based on their definition of local, this is not always possible in which case they adopt a "local-as-possible" approach with preference given to products produced cooperatively, responsibly, with fair trade certification, and/or organically. While not all of the products that the WEFC stocks are produced with 100 km of the store, the WEFC has been successful at establishing direct relationships with local distributors and suppliers to access those non-local products.

Over the last year of operation the WEFC has not noticed an increased demand from its consumers for local food. However, they have noticed increasing interest regarding how the food was produced. Partanen noted, "what we are seeing is not so much 'Was this grown locally?' but we are seeing 'Do you know who this is grown by? Do you know whether there were pesticides used? Is this a low spray producer?'" Partanen hypothesized that this trend may be a result of members already being aware that the WEFC sources local options when possible.

The WEFC purchases items from over 60 local producers with whom they have direct relationships. In addition, the WEFC purchases food from one distributor (The Ontario Natural Food Co-operative, or ONFC) and three blended distributors/producers (Pfenning's Organic, 100km Foods, and Fisherfolk). All the



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producers that the WEFC deals with directly are classified as small to mid-sized businesses. That being said the WEFC may stock items from some larger companies through products that are supplied through the ONFC.

At the time of this research approximately 85% of produce procured by the WEFC was from certified organic producers, local certified produces, and/or produces who have adopted organic practices. Some of their produce producers have Local Food Plus certification and Pest Management certifications. Many of

their shelf items are certified organic and some of their bulk items are grown on certified organic farms. All meat and dairy products sold through the WEFC have organic certification.

Vendors at the Farmers' Market include farmers, specialty food makers, prepared food makers and bakers, special vendors/services and wine makers. Many of the farmers' market vendors also sell their products at the store.

In the fall 2014, the WEFC had five co-ordinators including the Co-op Co-ordinator, Market Co-ordinator, Purchasing Co-ordinator, Kitchen Co-ordinator, and Communications Co-ordinator. In addition, the WEFC has six part-time cashiers, amounting to about three full-time equivalents; two full-time kitchen staff; one part-time market support staff during the summer months; one part-time bookkeeper; one part-time computer engineer; one part-time data entry staff member; and the effort contributed by Co-op Cred participants that is equivalent to approximately two thirds of a full-time position.

Community partners include the Parkdale Community Health Centre, the Parkdale Activity and Recreation Centre (PARC) and Greenest City.

The WEFC has a very strong volunteer base. Volunteers help with the daily activities of the store, in the kitchen, and at the market.

Relationships with George Brown College and Ryerson have been instrumental in connecting the co-operative with excellent interns. In the last 12-months the WEFC has received three to four students through these connections. One professor at George Brown in the Community Worker Program has been particularly helpful in connecting the co-operative with students, some of whom have gone on to become fully employed by the co-operative. This past summer the WEFC also received two Human Resources Development Canada grants to hire two students.

SCALE OF OPERATION

Prior to opening the store in 2012 the WEFC had 1000 members. Within six-months of the store opening membership had doubled. As of fall 2014, the co-operative had approximately 4000 members. The high membership is attributable to the five-dollar lifetime memberships. The low membership fee is consistent with the co-operative's mandate of ensuring that it is financially accessible to everyone.

The WEFC retail location has an average of 1600 customers a week. In 2013, the annual gross revenue of grocery sales was just over \$600 000. The gross annual revenue consists of sales of fruits and vegetables (21.12%), meat (7.7%), dairy (11.83%), and other products, which include prepared food, canned goods, packaged foods, household products and bulk foods (51.46%). Through the retail location members are also able to order produce wholesale through the co-operative's Farm Direct program in which they sell larger quantities of produce and meat directly from the producer to the consumer. The Farm Direct program accounts for approximately \$3000 a month of sales. Partanen estimated that between 60% - 80% of gross income is from sales of local fresh or processed food.

In contrast, the WEFC expenses for grocery items in 2013 was \$385 000. Twenty-five percent of their expenses were fruit and vegetables from Pfenning's, 100km Foods and other local producers. Purchases from the ONFC accounted for 35% of expenses. Given the WEFC tracking system it is difficult to easily retrieve the percentage of expenses for meat and dairy.

The Sorauren Farmers' Market is a year-round weekly market that is held every Monday from 3pm to 7pm. The farmers' market began with 13 vendors and now has 40 vendors during the busy season, with an extensive waiting list. In the winter months the market moves into an indoor location, which accommodates 20 vendors. While the market is only open one day a week the average foot traffic is comparable with the WEFC's retail location with an average of 1200 customers each week. The WEFC generates \$16 000 a year from the farmer's market vendor's fees. On average it appears that together, vendors' total earnings are approximately 75% of what the co-operative's store sales are each week.

The CSO program is also a significant distribution channel for the WEFC. The CSO program has 72 participants annually. Each participant co-operatively preserves 100 to 115 jars of canned goods for an average total of 8000 jars of canned fruit being distributed through this channel. The WEFC generates \$12 000 a year in various programs, such as the CSO program, and workshops.

IMPACTS/BENEFITS

Supporting local food producers, increasing access to fresh, healthy local food in the Parkdale community, and delivering education program that increase awareness of food system issues are the predominant benefits the WEFC delivers in relation to supporting local food. The WEFC's retail store, farmers' market and programs, such as the CSO, support local producers through providing stable markets and fostering new producers through partnerships with incubator farms.

Parkdale is a mixed income community. As such, the WEFC is dedicated to ensuring that fresh, healthy food is accessible to everyone. This is accomplished through various programs and partnerships the WEFC has secured. Their Farm Direct program allows customers to purchase produce at much lower prices per unit. The CSO program also provides produce to consumers at much lower prices per unit and provides consumers with a finished product for a fraction of the cost. Partanen explains,

“the CSO, which again not only supports (lower) margins for the underlying produce but dramatically reduces the cost of the actual canned result, be it tomato sauce or apple sauce or jam or chutney or whatever. Ultimately, the participant's cost for those goods is around \$3.25 - \$3.50 a jar. Whereas, if they bought the equivalent goods even off our shelves we are talking \$5-\$7 a jar depending on what the underlying produce is.”

The WEFC offers a 'pay what you can' option for the CSO program and other workshops in which between \$2000 and \$2200 of subsidies were provided to income-marginalized people in 2013. Workshops run by the WEFC have an

educational component that seeks to raise consumers' awareness of food security, food democracy, and environmental food issues.

In partnership with the Parkdale Activity-Recreation Centre (PARC), Greenest City and Toronto Public Health the WEFC co-delivers the Co-op Cred program. The Co-op Cred program allows program participants to exchange their labour at the WEFC or Greenest City for credit to buy food from the WEFC. All program participants are low income or marginalized persons that are members of PARC. The goal of the program is to connect participants with local and nutritious food while at the same time facilitating training, employment and volunteer opportunities. As explained on the PARC website, as no money exchanges hands this program protects participants against social assistance restrictions

(Parkdale Activity-Recreation Centre, Unknown). The Pilot project began in 2013 in which \$20 000 was raised and spent by the Co-op Cred program participants. The program had a lot of success in its first year and has expanded. At the end of WEFC's fiscal year in March 2015 they expect that Co-op



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Cred participants will have had access to \$65 000 worth of food through the WEFC. The evaluation of the project revealed that program benefits include increase food security and food literacy, improved access to healthy and local food; job training, mentoring and new skills; and a new link with local farmers/land stewardship activities (Parkdale Activity-Recreation Centre, Unknown). An annual bike-a-thon is held to raise funds to cover the costs of the program. A short video explaining the project can be found on PARC's website at <http://parc.on.ca/programs/coop-cred-program/>. Partanen argues that the success of their programming proves “that access to good food by low income community members is possible, we legitimize the argument that such access is in fact a right, and that calls for action to address quality food access issues [which is] worthy of a broader social discussion.”

POTENTIAL FOR EXPANSION

FACTORS THAT DETERMINE IDEAL SCALE

The ideal size of the co-operative has to do with balance. Redekop explained it is a balance between the size of their membership, how many products they are able to carry, how much revenue they are making and how many employees they are able to have. Currently, at 1600 customers per week the WEFC is able to pay their bills and pay off their bonds. They estimate that 2400 customers a week, in their current facility, would allow them to set aside \$5000 - \$6000 a month to finance new initiatives. Partanen explained that getting to 2400 customers a week, given the size of their current facility, is going to take some time.

From the interviews with Redekop and Partanen, it is apparent that the major motivating factor for expanding programming is to increase the access people

have to their programming and subsequently fresh, healthy, and local food, at an accessible price. Partanen pointed out that expanding the Co-op Cred program not only in terms of expanding the “amount of food dollars that [they] can get into the pockets of economically marginalized people but ... growth in terms of the number of co-op credit programs and the individual membership communities that they serve is crucial to [them].”

FACTORS TO FACILITATE EXPANSION

The WEFC has a lot of ideas on where and how they would like to expand. Based on the interviews, it appears that capital is the main variable preventing their desired expansion. Capital would provide them with the time, in regards to staff hours, and financing to expand programs.

CHALLENGES & LIMITATIONS

Balancing supply and demand, managing growth, and finding appropriate technology to manage operations were identified as the top three challenges to the WEFC from a business perspective.

LIMITATIONS TO EXPANSION

The main limitation to the WEFC’s expansion is the balance between keeping food accessible, covering costs, and having capital remaining to fund expansion. Partanen explained that it is very difficult for the co-op to raise capital to fund growth solely through sales. “The gross margins hover around 27-32% and our costs, particularly our costs, draw on that margin more than most for-profit organizations or only a grocery store would”, Partanen explained. Currently, the WEFC is reliant on external grants to fund any expansion. Ideally the co-operative would be self-sustaining and be able to internally fund their expansion. The farmers’ market, the cannery, the store and the co-op kitchen, all function separately in regards to their core labour costs in terms of cost recovery. Partanen noted “overall coordination and office admin and some of the infrastructure overhead is barely being covered by operations generally.” This limits their ability to accumulate their own operating profit to expand, Partanen continued.

LIMITATIONS TO SUPPORTING LOCAL FOOD

The WEFC struggles to connect with local fruit and vegetable producers for 100% of their produce. Partanen explains “while we might have local kale 75% of the time, 25% we just have to call...a fruit seller who specializes in organic produce...to fill in the gaps.” In order to purchase from local producers they have to develop direct relationships that can be harder to mediate. Local prepared goods, dairy and meat are not as difficult as produce to source consistently. The WEFC hopes to address this problem through developing a computer program that would allow them to identify their ordering requirements to producers up to six-months in advance. Member producers would be able to login to the system and base their crops on the co-op’s needs. Partanen estimates that developing a program such as this, would be a two-year project that would take between \$50 000 - \$75 000 to execute and would have the potential to “dramatically increase

the penetration of local producers into our market place.” Funding is the main barrier in getting this initiative up and going. The WEFC is just beginning to understand what external grants exist, that they would be eligible for, to fund this project.

STRATEGIES FOR SUCCESS

INNOVATION

Many of the WEFC’s programs use innovative solutions to address food system and food security issues such as the CSO program and the Co-op Cred program. One of the WEFC’s innovative programs that has yet to be discussed in great detail in this case study is the WEFC’s Community Bond program. WEFC’s Community Bond program was an innovative initiative that helped raise the capital to start the co-operative grocery store. Over a few different bond campaigns between 2008 and the opening of the store in 2012, 280 five-year and ten-year bonds were sold for between \$100 and \$1000. The total raised was \$186 000. The first group of bonds matured in October 2014, at which point investors were returned their investment with the accrued interest.

LESSONS LEARNED

The WEFC came together through a lot of hard work, put forth by numerous players, directed toward achieving their goal. WEFC’s community partners are a large source of knowledge for the co-operative. Partanen explained “ we have very very deep institutional relationships with some of our community partners: with PARC, with Greenest City, and with Parkdale Community Health Centre. So we do learn a lot from them just in terms of organizational capacity. At the end of the day we are 12 people who have never run a multi-stakeholder co-op before.” Partanen also pointed out that they benefited from the experience of all of the food co-ops that came before them. Founding member, Sally Miller, brought a wealth of knowledge on alternative foods systems and co-operatives. Miller is an author, academic, and organizer and has worked in the alternative food, agriculture and co-operative sectors for over twenty years (Fernwood Publishing, Unknown). Miller was instrumental in guiding the structure of the co-operative and bringing precedents to the table of how other co-operatives from all across North American were attending to the issues that the WEFC had to address.

PLANS FOR THE FUTURE/NEXT STEPS

Programming and markets that the WEFC would like to develop and expand include continuing to expand the Co-op Cred program, expanding the cannery program, adding more educational programming, adding a second farmers’ market location, developing an online ordering system and adding a delivery service. Expanding in these areas will allow the co-op to reach a larger group and range of people. For example, through starting a second farmers’ market location, in a less affluent area of their neighbourhood, closer to the co-op store, and an online ordering system with complimentary delivery service, the co-op hopes to make its food more accessible to low-income groups and people who are unable to make it to the store for various reasons. Examples of these reasons include mobility issues, long work hours, and becoming new parents.

However, as Partanen explained, a home delivery service can be quite expensive and cumbersome to begin. A workplace delivery program might be a much more feasible starting point with a few workplace partnerships.

Rekedop expressed the desire of the WEFC to tap into other markets and expand beyond a neighbourhood model. There has been some interest from the Community Food Flow project, which is a collaborative project between Toronto Food Strategy, Toronto Public Health and PARC, to have the WEFC expand its community cannery and food security and democracy education programs throughout the Greater Toronto Area.

RELEVANCE BEYOND THE CASE STUDY ORGANIZATION

The WEFC is an example of what can be accomplished through collective impact. The WEFC is a community-led initiative that was driven by the lack of local, healthy food in a community within a larger urban environment and with a focus on ensuring access to all. The success of the WEFC is largely attributable to its strong and multifaceted community partnerships with organizations and individuals who hold similar values and goals. These partnerships help inform and guide the co-operative's development and direction. In addition, these partnerships add strength and value to the co-operative's programming and contribute to a greater sense of community.

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