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Ontario Natural Food Co-op Announces Sale to Horizon Group

BY DAVE GUTKNECHT

Ontario Natural Food Co-op (ONFC) announced in early March that it had signed a letter of intent to sell its business and key assets to the Horizon Group of western Canada. The ONFC board of directors called a special membership meeting for March 20, at which co-op members approved the sale. The sale marks the end of the sole remaining and longest-standing North American co-op distributor in the organic and natural food category.

ONFC was founded in 1976 and served natural and organic independent retailers in eastern Canada. Currently employing over 120 people and with close to 1,500 co-op members and customers, ONFC's most recent year's sales were nearly \$55 million. "We're very proud of what we have accomplished over the past four decades," said Randy Whitteker, the long-time general manager. Whitteker pointed to Horizon Group's cooperative roots and said that distribution operations would continue from the existing location in Mississauga (near Toronto)—adding, "While we now go forward in a different form, our cooperative character will always be a part of who we are."

Like ONFC, Horizon Group has a history dating to 1976. Its subsidiary, Horizon Distributors, is western Canada's leading distributor of organic and natural dry, refrigerated, and frozen grocery items. Originally a worker-owned business that was sold to private investors and wound down as a cooperative in the late 1990s, Horizon Distributors has grown over time from its base in Burnaby (near Vancouver), and presently serves 1,800 buying club, cooperative, and private retail locations. The Horizon Group operates half a dozen companies across Canada, with total revenues of over \$150 million.

Ontario Natural Food Co-op had recently carried out a facilities expansion under a strategic plan that anticipated continued strong growth. However, increasing industry competitive pressures significantly curtailed sales growth. Whitteker cited these factors and an increasingly strong U.S. dollar affecting the cost of imported goods as reasons why ONFC decided to look for a larger, western-based partner to maintain services and independent retailers in Ontario and eastern Canada.

Following the 2015 sale of Co-op Atlantic, ending 70 years of consumer and producer co-op services in the Atlantic Maritime provinces of Canada, the sales of Ontario Natural Food Co-op marks the last example of cooperatively-owned grocery distribution in North America. For a report in these pages analyzing Co-op Atlantic's end, see Tom Webb's spring 2016 report: <http://www.grocer.coop/articles/failure-co-op-atlantic>.

The news release from ONFC on its sale to Horizon Group gives these contacts for further information:

John Landsborough, ONFC director of sales and marketing: jlandsborough@onfc.ca.

Terri Newell, Horizon Group vice president and Horizon Distributors general manager: terrin@horizondistributors.com.

For additional news on Ontario food and farming co-ops, see the accompanying report by Glenn Valliere. □