

Building the Cooperative Movement

An update on the P6 cooperative trade effort

BY AARON RESER



Left: P6 wall graphics above the produce department at Viroqua Food Co-op in Wisconsin. Right: Ice cream from local dairy Cruze Farm was a hit at the P6 launch party at Three Rivers Market in Knoxville, Tenn.

The Principle Six (P6) Cooperative Trade Movement just celebrated its third anniversary on cooperative grocery shelves. Still a new and growing program, P6 has experienced both successes and challenges.

Here, we will share a few highlights and discuss new projects underway as we work toward our shared vision for change: moving from a food system characterized by distance and concentration of profit and power to one based on real connections and relationships, equity and meaningful participation. We are actively engaging new cooperative grocery stores and exploring potential for other stakeholders' involvement in the movement.

Small, cooperative, local

The Principle Six Cooperative Trade Movement is an organization owned by and designed for co-ops, rooted in cooperative principles and values. The name "P6" refers to the 6th of the

International Cooperative Alliance principles, "cooperation among cooperatives." P6 is working toward an ambitious, big-picture goal of increasing market access for small farmers, building cooperative supply chains, and ultimately reshaping our food system.

How do we take that vision and implement it at our co-ops? On the front side, P6 uses consumer-recognized branded icons to increase sales for small farmers and producers, encouraging customers to mentally follow their dollars from point of purchase back to those producers. Products receive a P6 label at the store level when meeting at least two of three P6 criteria: small, cooperative, local. P6 products create a point of conversation, engaging staff and customers in the impact of their purchases. In addition to the customer interface seen in member stores, P6 works extensively behind the scenes with store staff.

Most importantly, P6 facilitates a national member network. Beyond a marketing

initiative, the spirit of cooperation is at our core and alive in our daily activities, from sharing design files to national strategy discussions. Current P6 members include several of the initial, visionary founders: worker co-op Equal Exchange (Mass.) and consumer co-ops Bloomingfoods Co-op (Ind.), Davis Co-op (Calif.), Seward Community Co-op (Minn.), and Willy Street Co-op (Wis.). An enthusiastic crop of second-wave members has brought new energy and expertise to the program: Eastside Food Co-op (Minn.), Viroqua Food Co-op (Wis.), and most recently Three Rivers Market (Tenn.). The next incoming P6 member is Ozark Natural Foods in Arkansas.

Common questions

Presently, P6 priorities are recruiting and growth, keeping our mission of supporting a food economy that recognizes small farmers/producers and cooperatives.

A few questions that interested co-ops



Top: A P6 wall graphic in the Seward Co-op dining area sets out the program criteria: small, cooperative, local. Bottom: Seward staff kicked off "August is P6 month" in style by showing off their P6 t-shirts around the store.

commonly ask are clarified below.

Define the cooperative element in the P6 Cooperative Trade Movement. P6 is a program exclusively for co-ops and won't be found at other retailers. P6 believes strongly in the power of cooperatives working together to leverage our collective impact. P6 is actively working toward incorporation as a multi-stakeholder co-op as a way to bring a variety of cross-sector cooperative voices into our very structure. Again, the three P6 criteria are: small, cooperative, and local.

Sean Doyle, general manager of Seward Co-op, sheds light on the history of why "co-op" isn't the only P6 criterion. "P6 was not created to exclusively improve co-op-to-co-op trading; it was created to help consumers filter their purchases away from the corporate food system toward small, local, and cooperative producers. It was made because three of the most important attributes that many food co-op consumers look for—fair trade, certified organic, and

local—all lacked one important transparency: who owns the companies making these products. An assumption consumers often have is that natural products are owned by small and cooperative producers. They often express their disillusionment when they learn that many of the natural products in the marketplace are manufactured by multinational corporations."

Why aren't "organic" and "fair trade" included in the P6 criteria? Both "certified organic" and "fair trade" are existing labels found directly on products, with external certification and regulation. All P6 members have a strong commitment to supporting organic and fair trade producers and have prioritized organic and fair trade in their product selection since well before the inception of P6. P6 sheds light on issues of ownership and profit concentration within the natural foods industry and champions small farms and the cooperative business model as a vibrant alternative. Discussing organic production asks the critical

question, "How are products produced?," while P6 asks a complementary, "Who benefits from your purchase?"

How does a co-op's existing local program integrate with P6? Most grocery co-ops have a strong local program, and "buying local" is riding a wave of national popularity. P6 both builds on this momentum and creates systems to sustain it into the future. By building on awareness of why it's important to buy from a local producer (a real person customers can picture, who is paid a fair price), P6 also pushes the conversation to a deeper level by considering the faces all along the supply chain. Consumer education around dignity, fair compensation, and ownership is important whether our food comes from a field down the road or a field across the ocean.

That said, cleanly integrating the P6 brand with existing local signage is essential. Doing this well helps customers understand that local is an important component of P6, especially where P6 branding takes the place of local signage on the shelf. We learned this lesson the hard way: one founding P6 member is no longer participating largely because their customers didn't make this leap, jumping to a misinformed conclusion that P6 was replacing local and the store no longer prioritized local producers. In reality, the majority of P6 sales in every store are local. Although P6 members are eager to create shelf space for new products sourced from international small farmer cooperatives as these supply chains develop, it is a reflection of existing food system infrastructure and geographic common sense that more P6 products are available from local vendors.

Here's the exciting part: P6 can have a big impact on local sales even in stores with an established local program. In rural Wisconsin, Vernon County is home to Viroqua Food Co-op (VFC). Local and organic agriculture is woven into the fabric of their community, and VFC is already known for its exceptional commitment to buying from local farmers. Like co-ops across the country, it has clearly identified local products (100-mile radius) storewide for more than a decade. After VFC joined the P6 program a year ago, P6 labels, graphics and profiles were introduced, eventually replacing the local tags and in-house branding that identified local producers. In the first six months after joining P6, VFC total local sales went from 13 percent to 31 percent—driving home the point that P6 impact on local sales can be huge, even in an already savvy market.

The importance of participation

One of the most compelling as well as challenging elements of the P6 program is its participatory nature. By intent, P6 is not a top-down ▶

◀ program. The stores with deepest staff engagement and P6 integration in store culture have seen the greatest success. P6 thrives in stores where staff are excited about the program: involved from the beginning, on board with the big-picture vision, cheerleaders for the individual P6 producers they work with, and able to articulate why driving dollars to small, cooperative, and local producers is important.

Intriguingly, and unlike many labeling programs, the credibility of P6 lies not in verification by an outside certifier but in genuine relationships and ground-level engagement. While the key three—small, cooperative, local—are requisite

national touchstones, P6 requires that further definition of each criterion be clarified at a new member store before P6 launch. This allows for P6 implementation to be tied to regional foodsheds and also creates a way to hardwire meaningful staff engagement into the process.

Resources (including staff time from the National Coordinator and peer-network advising) and best practice guides exist to help new P6 members vet their products for P6 designation. This is real work and involves some critical thinking. It is by design that the P6 program opens time and space for big conversations, prompting staff from P6 member stores to truly think about the food economy they hope to build and what producers are meeting their highest values. P6 requires both strong leadership and buy-in from all levels of the organization. It takes strategy and commitment to coordinate and integrate a storewide initiative that goes well beyond marketing. The national P6 office provides materials, tools, networking, and support, but the members of P6 drive the program and make the movement happen.

What kinds of success are P6 members seeing?

Participating stores report increased sales sourced from small, cooperative, and local producers: values-driven growth. Abby Rae LaCombe, P6 coordinator at Eastside Food Co-op, reports that by working to increase market share for P6 producers from every angle, Eastside Food Co-op logged a 23.8 percent increase in P6 sales from FY 2012–2013 while store sales increased by 14–16 percent in the same period. She adds, “I gotta say, we’re pretty excited.” Since launching P6 in 2010, Seward Co-op has been able to achieve consistent year-over-year P6 growth as a percentage of store



P6 shelf labeling at Viroqua Food Co-op calls attention to a small, cooperative, and local producer, Maple Valley organic maple syrup cooperative.

sales. In the past year, this meant \$11.46 million in annual P6 sales, a meaningful number for the small, cooperative, local producers Seward works with. At Viroqua Food Co-op, General Manager Jan Rasikas says, “P6 is a simple, singular way to easily identify the value-based products in our aisles, and it feels right to spend our marketing dollars on the products we believe in the most.”

P6 hits on a few trends relevant to the cooperative grocery industry. Co-ops across the country are growing, and P6 offers a program that emphasizes growth with integrity. “It is important to staff, really to all of our stakeholders, that when our co-op board and leadership team make decisions to expand, we do so in a way that stays true to our store culture and maintains our product sourcing commitments. P6 is a way we implement and measure this,” says Seward Store Manager Nick Seeberger. Most P6 member co-ops are also practitioners of Open Book Management, and at these stores it’s common to report on P6 sales and spur P6 growth in fun, creative ways.

A less light-hearted trend across co-ops is increasing competition. P6 is a valuable tool for differentiating cooperatives in the marketplace and an important vehicle for explaining the significant, authentic impacts cooperatives have on their communities.

Beyond sales figures, P6 members champion the ability of the program to serve as an alignment tool for all levels of the organization and create a tangible way to implement co-op Ends policies. P6 members value the potential for P6 to increase staff knowledge and satisfaction, strengthen customer loyalty, build stronger long-term relationships with farmers/producers, and foster connections to a peer network with a shared vision. At the heart of this shared vision

are the small farmers and producers. They, too, are starting to take notice of the program.

Small producers at the core

P6 farmers and producers see increased sales, marketing dedicated to telling their story and promoting their products, and opportunities to connect with customers. Producers familiar with P6 have expressed appreciation for a program dedicated to driving consumer dollars back to the pockets of small farmers.

When Three Rivers Co-op launched P6, the J.E.M. Organic Farm in Rogersville, Tenn., jumped on social media to express their gratitude for being included in the pro-

gram. At Viroqua Co-op, Outreach Coordinator Bjorn Bergman was thrilled when organizing the outdoor P6 Tail Gate event last March—more small producers than he could accommodate called to ask for a place at the P6 party.

Farmer co-ops are a natural fit with P6. P6 sparked the interest of Cecil Wright, farmer member and board president of the Maple Valley Cooperative: “There’s a shared mission of empowering small farmers, and P6 is really doing unique work in networking co-op grocery stores and others to together create food system change specifically through the cooperative structure.” With P6 incorporation as a multi-stakeholder co-op planned within the next year, a new opportunity will emerge for Maple Valley and other co-ops to have an active role in P6 membership and structure. Another farmer co-op supporter of P6 is the CROPP Cooperative/Organic Valley, which is looking forward to further collaboration with the Cooperative Trade Movement.

What’s the biggest lesson learned?

We are cultivating the balance between keeping a vision-driven movement focused forward on the big picture—why we do this work—while simultaneously staying grounded in smart, effective implementation. P6 has made great strides toward developing structure to support the vision and creating replicable systems. Now it has toolkits and best practices, tip sheets and launch support. The P6 branding was sharp coming out of the gate, but it took time and testing to design and improve strong tools and systems. We have learned from our mistakes and our successes. We’ll keep learning, keep working together toward a long-term vision, and keep growing the Cooperative Trade Movement. ■