

Honest Weight Food Co-op  
Alternative Supply Committee

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Submitted by Jared King

Jack Allison  
Cia Bruno  
Jared King  
Ray Ratté

### **Item of Discussion**

The committee interviewed Gail, Nancy, Kathleen and Bob.

Gail said that the three criteria she uses in evaluating any distributor is quality of produce, price and the ability to deliver before 10 A.M. to avoid parking problems with customers. Gail discussed the two distributors she uses, UNFI and Four Seasons, and how she found UNFI's produce quality and delivery time improved markedly when UNFI was cut down to three days a week. She also discussed a third distributor, a startup in Chelsea, MA by a former employee of Northeast whom she would like to support, but she does not want to put all her eggs in a startup's basket. In the summer, she also purchases produce from local farmers and the farmers market in Menands. She stressed that although co-op customers talk a good game regarding buying local and organic, etc., co-op customers buy on price, and never to forget that fact when evaluating other supply options.

She said that the real difficulty will be in Nancy's department, since UNFI is the only game around to provide the low-cost, national brands that co-op customers show by their purchasing habits are what they want.

Kathleen said that there were many distributors available to her, but getting orders correct was very important to her and that she was very particular about which distributors she used.

Bob uses a variety of sources in addition to UNFI; there are two big advantages to using UNFI, a large discount and daily delivery. Using other sources would require more planning. He does use Champlain Mills, Tierra Farms (Cohoes), Associated buyers (in NH), Tree of Life (once a week delivery), and a regional distributor from Ithaca.

I spoke to Greg Koonz regarding other possibilities. He discussed the importance of the co-op sending representatives to Natural Products Expo East in DC to find out what is going on and what is available (including distributors) in natural foods. He said that in the grocery area, there are two national natural foods distributors, UNFI (70%-80% of the market) and Tree of Life (30%-20%), that cost effectively provide the national brands. Tree of Life screwed up and just lost the Wild Oats (big natural foods store chain in Boulder, CO) account so they might be looking for new customers. He suggested that because regular grocers are demanding more and more natural foods, regular grocery distributors might be a possibility, although the co-op might have to take Cheerios as part

of its order in order to meet the minimum size. He also suggested talking to a wholesaler, Associated Grocers Northeast, because although the co-op may be a large medium Store in the natural foods realm, it is small in the grocery realm.

Wild Oats just announced a deal with Stop and Shop (a supermarket chain with stores in New England and the southern tier of New York) to include a "store within a store" for Stop and Shop selling their private label natural foods. They are going to test the concept in five stores to start. There is going to be distribution to those Stop and Shop stores, and we might piggyback, if Nancy was interested in Wild Oats private label natural foods. This makes Greg's suggestion a more credible option.

Cia met with the owner of the Four Seasons Natural Foods Store in Saratoga Springs. He said that Associated Grocers is as large as UNFI and sells at a discount to the Northeast region. He deals quite a bit with Tree of Life, and they are good. He is also a member of a coalition of other natural food stores from the West. He is amenable to working together with the co-op, depending on the specific proposal.

**Action Required by the Strategic Planning Committee and Board:** Discuss and determine a course of action for the co-op in developing alternative supply sources, if at all.