

## **Success Story of a Little Food Co-op in Southwest New Mexico**

### ***The Silver City Food Co-op History***

#### **Early Times – The 1970s**

In 1974 a number of folks in Silver City joined many people across the country wanting access to healthier food. These Silver City folks ordered food together, and then some of them drove to Tucson to pick up the bags of whole grains and beans and cases of canned goods. Back home, the orders were split up, and then everyone picked up their share. Within a year, others wanted to join, so a “storefront” was opened in the back of David and Susan Berry’s house, at 511 North Bullard, right across the street from our current building. A committee ran this buying club, and shopping was restricted to members.

In 1977 the buying club moved to a more visible location, at 108 East Broadway, and opened the store to non-members. Jim Goodkind was the manager, food deliveries came once a month, and sales were close to \$26,000 that year. A few years later the buying club took a big step and incorporated as a non-profit corporation under New Mexico state law and became the Silver City Food Co-op.

#### **Growing Pains – The 1980s**

The early '80s brought cash-flow problems, growing pains, and difficult times. The manager, Ed Anthes, along with co-op member Pamela Patrick, brought the co-op out of this low time. By 1984 Pamela was manager and sales had reached \$76,000. Still staffed mainly by volunteers, the co-op was now able to put a few workers on payroll.

In 1985 the store moved to its current location, 520 North Bullard, a prominent place in the center of downtown. Sales soared during this exciting period, to \$240,000, and the forward-thinking board, manager, and members of this young co-op took a leap of faith in 1989 and bought the building. Old and in need of upgrading, the building was refurbished over the next couple of years, when electrical problems were corrected and many other improvements were made.

#### **Big Changes – The 1990s**

To comply with new regulations for repacking bulk food, the co-op added a kitchen. Also during the early '90s an IRS ruling changed how co-ops across the country could operate. Compensating volunteer workers through a discount on products was no longer allowed, so after eighteen years of depending on volunteers, the co-op’s staff now composed of only paid employees.

By 1995 a second checkout counter and a new walk-in cooler had been installed, and a major roof replacement completed. The biggest concern of the co-op at this time, though, did not involve the building or equipment, but problems caused by a new neighbor across the street where the Hub is now. This small plastic factory released chemical emissions, which caused a variety of difficulties for workers and shoppers at the co-op. Litigation took two years, and eventually the factory moved. Sales at the co-op had continued to grow, however, reaching \$650,000 by 1996.

In 1997 Kathleen Wigley, who had worked with Pamela for three years as assistant manager, took over as manager. She directed a big remodeling push for two years, increasing the retail space, installing another walk-in cooler, an administration office, and the current kitchen. By the end of 1999, the construction was completed, and the retail sales space available was 2,060 square feet.

By the close of the 1990s, the co-op was nearly a million-dollar business and the need for a more effective working relationship between the board of directors and the manager had become apparent. Many co-ops in the country, experiencing similar challenges, decided to adopt, as our co-op did, a new method, called Policy Governance, which clearly defines the roles of both the board and the manager.

### **Steady Growth – The 2000s**

In 2000 the members of the co-op made a big change by reincorporating as a cooperative association under the New Mexico state laws. The Silver City Food Co-op was now truly a co-op.

The decade began with sales just under \$900,000, and during the next five years sales kept increasing. Double-digit profits during these years allowed profit-sharing with the employees, and in 2005 the co-op passed \$2 million in sales.

This growth necessitated changes. The addition of computerization of pricing and scanners at the checkout counters was a big step toward greater efficiency, but also a quite controversial one. A third row of shelves and another aisle added in the front section of the store allowed space for more product, but the additions, unfortunately, created much narrower aisles.

In 2006 the co-op purchased the old, rundown garage across the back alley from the store, to gain much needed space for the “behind the scenes” activities. The newly renovated building, ready for occupancy in February 2007, contained warehouse space, a walk-in cooler and freezer, office space, and a community room plumbed to become a kitchen for future food-preparation possibilities.

In 2007, after many profitable years, the co-op decided to give back to the community by creating an outreach staff position. Over the next few years, the outreach coordinator provided valuable support to the Grant County Community Food Pantry, The Commons: Center for Food Security and Sustainability, the Silver City Farmers’ Market, the Grant County Food Policy Council, and many annual events providing awareness about food and nutrition.

When Kathleen Wigley and her co-manager, Catrina Helbock, left in 2008, the co-op had reached \$2.5 million in sales and found that it needed to search outside of Silver City for a new leader. In 2009 Doug Zilm became the first general manager hired from out of state. With the board of directors, he worked to improve the governance systems and move from a fee-for-membership status to an equity-membership status, one more step on the path of a maturing cooperative.

### **More Space Needed – The Next Decade**

The co-op directors would begin spending much of their time considering expansion, since the co-op had truly outgrown its space. Numerous ideas were discussed, and it seemed clear that nearly everyone wanted the co-op to remain downtown. No suitable building with parking was available in the area, so creative solutions, such as satellite stores, home delivery, online shopping, and extended hours were considered.

When Joe Zwiebach began his term as general manager in early 2013, solutions to space limitations were a primary responsibility. From \$900,000 to \$3 million dollars in thirteen years and still operating in the same 2,060 square feet of retail space, both staff and customer were acutely aware of the limits.

Management and staff continued to use every nook and cranny more efficiently, and customers adapted to shopping in crowded aisles. Subtle additions of more shelves and stand-alone coolers helped. In October 2013 the store opened on Sunday for six hours, with a very enthusiastic reception from customers.

In 2014, in response to results of membership surveys, a small kitchen was created in the back warehouse for the preparation of the “Grab ’n’ Go” offerings of sandwiches, salads, soups, and desserts made available in a deli case near the checkout stands.

When in 2015 a building only a block north of the co-op became available for a reasonable rent, the board and general manager decided this was a good opportunity. Immediately the building provided space for product storage and meetings, and in July 2016, The Market Cafe was opened in the front portion, serving healthy prepared foods and selling gourmet food items, handcrafts, and fair-trade gifts. Although initially successful, the cafe succumbed to challenges on many levels, and the decision was made to close it in October 2017.

Continuing to streamline its functioning to keep up with sales growth, management improved inventory systems, computerized staff scheduling, and upgraded the physical structure. Staff were cross-trained for various positions, and the popular Member Appreciation Days (or MAD), which had become truly maddening, were switched from three set member-discount days a year to a plan where members choose their own three days.

In March of 2018, the co-op was offered a marvelous opportunity – a large downtown building, with parking! Southwest Services for the Handicapped was going out of business, and would sell their building to the co-op at a very low price. Since it met the needs for a full co-op expansion and relocation, the board of directors made the decision to purchase the building at 907 Pope Street, in July of 2018. The real work of planning an expansion began as the board, managers, and several volunteers worked diligently for more than a year to gather and study all the pertinent data needed to determine the economic feasibility of renovating the building and moving the store.

### **World Pandemic - 2020**

The decade had begun with a bright outlook. Sales in 2019 were just shy of \$3.8 million and the newly hired general manager, Kevin Waters, was eager to help the co-op move forward with the relocation. When the COVID-19 pandemic hit in March, immediate adaptations were instituted at the co-op; and with no crystal ball to reveal the future, plans must unfold day by day.

### **What a History!**

This little co-op that could, did! In its retail sales space at 520 North Bullard Street for the past thirty years, the co-op has gone from sales of under \$100,000 to nearly \$3.8 million; from a handful of employees to thirty-five; and now continues serving its current 2,100 member-owners. This success story happened thanks to loyal members and shoppers, inspired general managers, devoted employees, dedicated board members, and generous volunteers. What a wonderful story!

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*Some information for this article was taken from three previous articles about the co-op's history.*