



Oklahoma Food Cooperative

From Our Family Farms To Your Family Table

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How to organize a local food coop in YOUR state.



Lessons from the organizing campaign of the Oklahoma Food Cooperative

By Robert Waldrop, president and general manager



A local food system starts in local kitchens, as individuals decide to take personal responsibility for the food they eat.



The permacultured kitchen is the essential foundation of a local food system. If we want a more sustainable and just food production system, then there must be a market for the products of sustainable and just food production systems. Personal and household choices about where and how we spend our kitchen money and time are critical to the design of the permacultured kitchen. This design process begins with observation of your present situation and an inventory of what you have and do, what you need, and the challenges of getting from here to there.



A local food system is about distributing basic foods; it does not look like Wal Mart. Don't expect all the ersatz "convenience" offered by manufactured foods. The good news is that while the process is not always easy, the change that the permacultured kitchen brings to your household is uniformly positive. The food will be more nutritious, it will taste better, you will feel better about your work in the kitchen.



Basic principles of the permacultured kitchen:

Form and function follow food.

Eat with the season.

Be temperate in your selection of foods.

Prepare meals from basic ingredients.

Develop the organization and systems of your kitchen.

Recycle resources and energy



Process and preserve foods at home. Practice food storage.

Grow some of your own food.

Buy foods from local farmers and producers.

Never buy meats that originate in confined animal feeding operations.

Design for economy.

Design for catastrophe

The best organizers are people who have advanced through the beginnings of this "permacultured kitchen" process and who are already actively buying, or looking for places to buy, local foods. In the case of the Oklahoma Food Cooperative, Robert Waldrop had more than 20 years experience in preparing meals from basic ingredients, growing food, and preserving, processing, and storing foods. A year prior to the organizing campaign, he began to look for sources for local foods, and by the time the organizing campaign started, he was getting 80% of his household's food from his own gardens or from local farmers. This gave credibility to his "buy local foods" message.

The first step outside of the home kitchen is to collect and share information. Waldrop started a website, www.oklahomafood.org (it is now www.oklahomafood.coop) to share the information he was finding about local food producers.

Where to look for local food sources?

Directories. Some state departments of agriculture maintain directories of local food producers.

Farmers markets.

County extension agents.

Custom butchers.

Classified ads in newspapers.

Word of mouth.

The Oklahoma Food Cooperative organizers made extensive use of the internet. Besides the website, they organized a listserv to discuss organizing a local food cooperative, and joined many local internet discussion groups. (okfoodret@yahoogroups.com, whose archive contains a complete written record of the development of the cooperative from the first announcement of the idea to the present time.)

Where to find more people:

Local and state chapters of environmental organizations, in particular, look for Sierra Club chapters.

Homeschoolers

Weston A. Price Foundation local chapters

Churches

Local and regional internet discussion groups.

Food editors

Restaurant owners

Slow Food conviviums/contacts

Peak oil discussion groups

Doctors and medical professionals

Support groups for people with allergies

NB: Cast a wide net when you look for people. Everybody has a right to eat and to access local foods -- not just the people who agree with you on politics, religion, or culture. The Oklahoma Food Cooperative is very diverse -- we have conservative evangelical Republicans, many gays and lesbians, Catholics, Methodists, Presbyterians, Southern Baptists, church of Christ, Muslims, Buddhists, pagans, Democrats, anarchists, socialists, atheists, and all points in between. There is no political, ideological, religious, or cultural litmus test to join and participate in the Oklahoma Food Cooperative. Many of our members would not normally even be in the same room as others, much less working with them across barriers of religion, politics, and culture, on a common endeavor. We find this to be very hopeful -- there is no lack of barriers dividing us these days, so it is nice to find that a diverse group of people can come together and work with each other on a common cause.

We don't make some kind of commitment to faux diversity; no one is asked to deny any deeply held belief. We just realize that some things are relevant to food, and other things in our lives aren't relevant to coming together at table fellowship. The Oklahoma Food Coop strictly does not get involved with politics, except for issues that directly relate to food. This include a ban on distributing partisan political literature at our pick-up sites during election campaigns.

The fastest way to create jobs in rural areas is to help farmers sell food directly to local residents.

Recruit members of church staffs "early and often". Churches were very supportive of the organizing campaign for the Oklahoma Food Cooperative. Epiphany Catholic Church let us use their facilities free of charge for 3+ years until we outgrew their building.

Besides internet discussion groups, the Oklahoma organizers held a dozen meetings, in many different parts of the state. Usually the primary publicity was through free notices published in local newspapers. The meetings were held in churches and libraries, the best attendance at any of these meetings was 12. The people attending each meeting elected one person to serve as a member of the "Oklahoma Food Cooperative Organizing Committee."

The organizing committee incorporated as an Oklahoma Non-Profit Organization (we reincorporated when we started selling membership shares), and began holding monthly meetings. At each meeting, we had a potluck lunch. The organizers believe that this was critical to the group's success.

The group determined it was not feasible to open a store, so we invented an order delivery system with the following features (features are as of 2009, not all of this was present at the beginning).

Features of the Oklahoma Food Cooperative Order Delivery System

Organized as a cooperative under the Oklahoma statute for consumer cooperatives.

The cooperative has designed its on online operating system, the Local Food Cooperative Management System, which is available free of charge to others via the General Public License System. It is not "download, plug, and play". You need someone who understands php and msql to set it up and maintain it.

We do a monthly order delivery service. The order opens on the first day of the month. Customers order by browsing the product lists and clicking to add items to their shopping cart. Or they can order by phone, by postal mail, or email. 99.99% of orders come through the online system. When a customer orders, the system creates two invoices: one for the customer, and one for the producer informing him or her what people have ordered. The order closes the second Thursday. Producers can then log in and click a link to access their orders, in two formats, sorted by customer, and sorted by product. Delivery Day is always the third Thursday of the month.

Producers and customers are members. Everybody pays the same amount to join, and has the same rights. Producers can buy, and customers can sell. One member, one vote, one class of membership stock. Each member is assigned a unique membership number (in sequential order, starting with 001, we are now over 2000). 130 of our members are also identified as producers.

To become a producer, members must apply. Their application is screened by the Standards Committee, to make sure they meet our standards. They must provide us a copy of any relevant licenses or certifications (kitchen inspections, organic, etc.). They must attend one delivery day. The Board then votes to approve them. We have separate applications for food and non-food items. If a producer wants to sell both food and non-food items, they must complete both applications, but they only buy one membership share to join.

The relationship between the cooperative and its producer and customer members is an agency relationship. We act as agents of the producers in listing their products, collecting the customer orders, arranging for delivery, collecting from the customers and paying the producer. We act as agents of the customers in finding producers with products to sell, providing an

order system, collecting their payments, and delivering their groceries. In our sorting operation, we are a cross-docking operation. The cooperative never holds title to any of the products. The products are always owned by either the producer or the customer. This is important for regulatory reasons.

The cooperative has been almost totally self-financed by the sale of membership shares, sweat equity volunteer workers, and in-kind donations. In our organizing campaign we received a few hundred dollars in donations (from the Sierra Club and the Oscar Romero Catholic Worker House), in-kind donations from Epiphany Church in the form of free use of church space for meetings, delivery day, and banquets, and we received one small grant, most of which we were unable to use because we had requested the grant when our goal was to open a store and not all of the money could be re-programmed to fit our order delivery service.

Producers set their own prices.

The cooperative does not limit the number of producers who can sell a particular product. We think this is very important to maintaining the vitality of the cooperative and make it an interesting place for customers to shop. If the cooperative limited producers in product categories, this would totally change the relationship between the cooperative organization and its producer and customer members. The cooperative would find itself in the business of picking winners and losers and second-guessing customer tastes and choices, as well as requiring us to forecast expected demand in order to make sure we had enough producers.

All the producers have a page at our website to tell their story, plus their products are stored in its database. Their products are displayed sorted in various ways. Producers enter and edit their own information and products on the website. 99% of our producers have been able to do this. The cooperative does it at no charge for a small handful who don't have computer access or whose computer is down. Each product receives a unique number, automatically assigned by the software when it is entered. Producers can specify inventory amounts in their product descriptions. As products are ordered, the inventory declines. If somebody cancels an order, the inventory increases. When all of the product is sold, customers can't order it, but it continues to appear on the public price list..

We have strict standards about what can be sold through the cooperative. We allow no distributorships, anything sold must be produced by the producer. Producers can buy raw materials, but the producer must add value. "Re-packaging" is not added value. No confined animal feeding operation products may be sold through the cooperative nor may they be used as ingredients in processed/prepared foods. Ingredients for prepared and processed foods may be bought from the regular food system, except that any meats or eggs must come from Oklahoma farmers. Meats, dairy, and eggs must come from free-ranging flocks and herds. No animal products or antibiotics are allowed in feed, nor bovine growth hormones. Products do not have to be organic or all natural, but producers must declare what their production practices are at the cooperative's website.

Customers and producers are assigned a user ID and password. Their

access to the members only parts of the website is governed by this, which enables us to have a basic level of access for everybody, and then various levels of administrative access for cooperative officers and volunteers.

Producers are responsible for getting their goods to the delivery location. We have several producers who pick up items from other producers; those producers help pay for the gas for the driver.

Each product coming in to our operations centers (a fixer upper warehouse we rented in the fall of 2007), must be labeled with the name of the producer, the name of the customer, the customer's delivery code, and what the product is. The cooperatives website produces labels in two formats which the producer can automatically download at any time after the order closes, so all he or she has to do is cut them apart and staple, tape, or otherwise stick the label onto the package.

Product packaging has been an issue. The flimsy plastic grocery bags are not that suitable for our system, since items have to be sorted and moved, and packages inside them can easily fall out. Attaching labels to such bags is next to impossible (well, you can attach them but they don't always stay). For frozen items, the best packaging is ziplock bag, with the label inside the ziplock bag.

Each customer has a unique delivery code which is based on how they choose to get their food (pickup at one of several locations or home delivery):

We have 250+ ice chests of varying sizes, for moving frozen and refrigerated items. For frozen items, we use food grade dry ice which we buy directly from a distributor, not from a retail store. We have used the re-usable "blue ice blocks" for refrigerated items. Each ice chest is numbered. Keeping track of those ice chests and ensuring that they come back to each delivery day has proved to be a challenge. The same is true only worse with the re-usable "blue ice" blocks. Because of this problem, and the continual expense of the reusable blue ice blocks, we have started using regular water ice for ice chests with refrigerated items. We put the ice inside ziplock bags (double bags), as melting ice plays havoc with the quality of refrigerated items. We are presently transitioning to using frozen recycled 1 and 2 liter bottles of water.

Each route and pick-up site has a volunteer in charge of it. This volunteer has an administrative access that allows them to see the customers on their route. They email or phone them before delivery day to verify that the customer selected the right delivery method and remind them of the pickup times. Each pickup site has a volunteer in charge of that. Sometimes one person is the volunteer in charge of the route, the pickup site, and the driver for the route (smaller routes, like Midwest City). Norman has two routes, one for home delivery, one for the pickup site, so there are two vehicles headed that way, and several people help at the pickup site to do a final sort of the customer orders and get them ready to be picked up. Tulsa has one route, and has two pickup locations (Tulsa and Claremore), and is about to need a second pickup or a larger truck.

The cooperative charges the producers 10% to sell and the customers 10% to buy, this provides the operating revenues of the cooperative.

The cooperative takes payments in checks and via the PayPal system, thus allowing us to take credit cards. We originally offered a cash discount, for customers paying with cash or check, but the accounting of that was always a problem, so we no longer offer a cash discount. We originally took cash, but with our widely distributed pick-up site system, cash turned out to be not cost effective. (Very few checks bounce.)

All orders must be paid for by the customer before leaving with the groceries.

Our primary method of communication with customers is via the internet. We do not do regular mailings to members, although we did in the early stages. We no longer maintain a printed customer handbook. We tried to do this early on but quickly discovered that even with donated copying, we could go broke just mailing out updates. At one point we had a subscription to a monthly mailing, but only 1 or 2 people took advantage of that, so it was discontinued.

We sold a half million dollars in local food products in 2008, a 52% increase over 2007.

Monthly gross revenues are presently fluctuating between \$70K and \$90K/month.


More information about our software, available for free under the General Public License system, is at <http://www.localfoodcoop.org> .

We have five areas in our operations center where different products are sorted to customer orders: Dry/non-refrigerated, produce, eggs, refrigerated, frozen.

We own 3 trailers (7' x 14', non-refrigerated) and are in the process of buying 2 refrigerated trailers. The two additional trailers will be insulated, and we will use the Cool-Bot technology to turn them into refrigerated trailers. A Cool-Bot allows a window AC to work as a refrigerator. With an on-board generator, this will give us refrigerated trailers at less cost than refrigerator trailers typically sell for.

Our organizational chart has 350+ volunteer positions in the coop. We have 1 part time employee (40 hrs/month), our Logistics Manager, and 3 part-time employees (10 hours month/each), also working logistics (operations center setup/cleanup, etc.)

Note: ***all refrigerated items must arrive at delivery day already cold.*** Our experience is that we can keep refrigerated products cold with frozen water bottles ***if*** they arrive within the refrigerator temp range. Frozen bottles of water will not cool warm products down to refrigerator temperatures. We've had to work with some producers on this.



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