
School of Community Economic Development
Southern New Hampshire University

PROJECT PROPOSAL
FOR



“Bringing the Community to the Table”

Submitted in Partial Fulfillment of Requirements for the
Masters of Science
in Community Economic Development

Linda Purdy

March 2011

Inside Cover Page

Manchester Food Cooperative

Linda J. Purdy

April 2011

School of Community Economic Development
Southern New Hampshire University

Submitted in Partial Fulfillment of Requirements for the Masters of Science
in Community Economic Development

Approved by Dr. Christina A. Clamp

Signature: _____

Table of Contents

Abstract.....	3
Executive Summary.....	5
Community Context.....	6
Mission Statement.....	8
Survey.....	8
Target Market.....	8
Problem Analysis.....	10
Stakeholder Analysis.....	11
Literature Review.....	13
Logic Model.....	18
Methodology and Implementation Plan.....	19
Financing and Capitalization.....	20
Monitoring Plan.....	23
Evaluation Plan.....	24
Sustainability Plan.....	25
Final Summary.....	26
Appendix I: Board of Director Bios.....	27
Appendix II: Start up Costs.....	31
Appendix III: 5 Year Projections.....	32
Appendix IV: Staffing Projections.....	34
Appendix V: Start Up Balance Sheet.....	35
Appendix VI: Accomplishments.....	36
Appendix VII: Sales Projections.....	38
Appendix VIII: Bibliography.....	39

Abstract:

This report documents the initial stages of development of The Manchester Food Cooperative. It will be a profitable cooperatively owned and operated grocery market venture as well as having the added advantage of bringing people together to build a stronger and healthier community in Manchester, New Hampshire.

The inner city of Manchester is essentially a “food desert” or “food swamp” lacking access to healthy, locally produced, affordable food for years. The existing grocery stores are not easily accessed by foot, bicycle or bus and the small “convenience” stores offer expensive and often distressed products.

The Manchester Food Co-op will work in partnership with the City of Manchester, churches, local civic groups, businesses, schools, hospitals, residents, employees and the newly proposed Market Basket to provide access to a full service grocery shopping environment, with an emphasis towards eating and living in a more healthy and sustainable manner.

Executive Summary:

The Manchester Food Co-op's (MFC) business plan provides background information about who will support and fund a food co-operative in Manchester. This document is current and it will have the flexibility required for a start-up venture as the project progresses.

The MFC is a response to a need for a full-service grocery store in the residential and commercial center of the City. Currently, there are no full-service food markets servicing the North, West and the downtown sectors of Manchester. A Market Basket is in the planning stages.

The initiative began on December 3, 2009 at its first public meeting. The following are highlights of the MFC's accomplishments to date:

- The MFC created its mission statement, incorporated and elected the founding Board of Directors (see bios in Appendix I).
- Completed its feasibility study (see attached addenda) by G2G Research Group specializing in market analysis for consumer food cooperatives. The study demonstrated that the Co-op will support a 6,500 square foot retail space. Sales projections of \$3.73 million in year one, \$4.24 million in year two, \$4.79 million in year three and \$5.38 million in year four.
- On January 11, 2011 the Co-op kicked off its Membership Equity Drive.

One membership/equity share in the Co-op is \$100 (not annual fee), entitling each share holder to member benefits such as discounted pricing, profit sharing and access to educational programs. Non-member-consumers are also welcome to shop at the Co-op.

The Co-op will be financially sustainable with its projected members (1,500) and the non-member-consumers (250-500). Calculating that each household would spend \$90 per week for groceries (the average grocery purchase per shopper – figure derived from consumer spending data available from the US Census Bureau's website and reinforced by the sales amount of a similarly sized active store's customer spending in a comparable area).

Based upon our financial analysis and evaluating local demographics through the completed market research, the MFC projects that it will need a working capital reserve of \$400,000. Monthly sales are expected to rise steadily in the first year with a further climb during the holiday months of November and December. The financial analysis reflects that the Co-op will break even by the ninth month of operation and that it will recoup the initial costs by its fourth year (reference page number).

The capitalization and financing of MFC will be done through member equity, member loans, and debt. It is estimated that 46.4% of the financing will be through loans from Cooperative Fund of New England, the

National Cooperative Bank, NH Community Loan Fund, The LEAF Fund and St. Mary's Bank. Inventory financing will be made available from the National Cooperative Grocers Association.

MFC anticipates that it will initially employ 26.5 full-time equivalent employees who will operate and conduct the daily business of the store under the direction and guidance of a General Manager with food co-op experience. We have received start-up guidance from several long existing co-ops in NH, the Concord Cooperative Market and a group called The Food Co-op Stores together they have over a hundred years of combined knowledge.

Community Context:

The headlines should read: The City of Manchester New Hampshire has become a Food Swamp!!! Fast Food lovers thrive!!!!

The city of Manchester has been facing a crisis around access to healthy affordable locally produced food for years. The school lunch meals are sufficient but void of fresh vegetables and produce. Filled with empty calories and fried forms of meat products. The existing grocery stores are not easily accessed by foot, bicycle or bus and there are none on the west side.

The west side of the City has the least access to fresh wholesome food as shoppers have to travel to Bedford or Goffstown to get to the closest full-service grocer. When the ONLY store closed there a few years back it caused major problems for the hundreds of local residents that were left with no options. Some on fixed incomes were forced to spend their food money simply travelling to a higher priced grocer.

When the economy was hit hard people began to look at their household food budgets with more of a discerning eyes. The average household in the United States is carrying more than \$15,000 in credit card debt, (\$852.6 billion as of March 2010 data, as listed in the Federal Reserve's May 2010 report on consumer credit divided by the 54 million estimated number of households carrying credit card debt) According to the same report for March 2002 the average debt was \$8,000. The debt loads continue to rise as incomes are dropping and expenses for food have increased by more than 50% over the last decade, people are looking to have more control over their food choices.

Food Cooperatives have been a significant part of addressing food disparity in local neighborhoods. A recent report, by the University of Wisconsin Center for Cooperatives, states that, " growth periods also occur when large numbers of consumers experience economic difficulties and develop an interest in ownership and control

of their retail food sources, become concerned about food safety, and experience a strong desire for an ethical society.” (Deller, 2009)

According to a recent press release for the Food Coop Initiative, a support system that seeks to enable a faster and more efficient start-up process to develop new retail grocery co-ops, “There are currently over 150 communities across the U.S. involved in efforts to open co-op grocery stores, and new requests for assistance arrive almost daily. Food Co-op Initiative’s Executive Director Reid says, “It is no wonder—people are tired of food systems that they cannot trust and that do not respond to their needs. Starting a co-op allows a community to regain control of their most basic survival needs and encourages economic activity throughout the region.” (Reid 2010)

New Hampshire is not new to food cooperatives and has several such stores. There is one in neighboring Concord, which has been in operation for 30 years. They recently purchased another existing store in New London There is one in Hanover, that has been in business since 1936, their sister store opened in Lebanon in 1997. Littleton had been pursuing the idea of a Food Cooperative since 2006 and opened in May of 2009. Keene is also working to develop a food co-op to serve the Monadnock community.

Other cooperatives contribute value to the Manchester business community. St. Mary’s Bank is the first cooperative credit union in the nation and recently celebrated its 100 anniversary. There are a total of 10 credit unions in the Manchester area. CCA Global Partners is one of the nation’s largest cooperatives and is based in Manchester with 15 distinct businesses, more than 3,800 locations nationally producing aggregated annual sales in the billions of dollars.

It has been recently announced that a large full service grocer, Market Basket, will be locating a 100,000 square foot store in the direct geographical location as the Food Coop project. The Co-op project enjoys a strong community support.

It is the goal of the Manchester Food Coop to work in collaboration with the community farms to share resources, space and consumers. Capturing the spirit of the community and enhancing the market of both the farmers and the Food Coop. This idea comes in part from the work of Michael E. Porter, Harvard Business School and his “Competitive Cluster” model.

“Clusters affect competition in three broad ways: first, by increasing the productivity of companies based in the area; second, by driving the direction and pace of innovation, which underpins the future productively and growth; third, by stimulating the formation of new businesses, which expands and strengthens the cluster itself. A cluster allows each member to benefit *as if* it had greater scale or *as if* it had joined other forces formally- without requiring it to sacrifice its flexibility.” (Porter 1998)

Manchester Food Co-op Mission Statement:

The Manchester Food Co-op will lead our diverse community with the purpose of providing a co-operatively-owned and operated market selling a variety of local, healthy and organic, affordable whole foods. Through prudent management it will construct and maintain a financially sound business and dedicate itself to responsible environmental stewardship. As leaders, our cooperators will initiate and engage the community in activities designed to enhance the quality of life.

Survey:

The “Manchester Food Co-op” idea had been floating around for some time among the faculty and staff of the School of Community Economic Development (SCED) at SNHU. A small but very interested group of community members along with some of SCED’s faculty, staff and a student met in the summer of 2009, and again in the fall, which resulted in the first actual public community meeting on December 3, 2009. At the time of this writing there have been several other community meetings, many steering committee meetings and the Coop has scheduled its’ first Health outreach meeting June 3, 2010. We will continue to gather support and momentum through a variety of methods within the community.

At the December 3, 2009 meeting we implemented a survey to gather information from interested members. The questions were as follows:

- ✘ Do you have problems buying good quality food in the local area?
- ✘ If we set up a food co-op do you think you would shop there?
- ✘ What sort of products would you be interested in buying from a food co-op?
- ✘ What factors are most important to you about where you buy your food?
- ✘ Where do you currently shop for food?
- ✘ Which day(s) do you usually shop on?
- ✘ What time do you usually shop?
- ✘ Approximately, how much do you spend per week on food?
- ✘ How big is your household?
- ✘ If the co-op is staffed by volunteers - would you be prepared to spend some time volunteering on a regular basis?
- ✘ If you answered yes to question 10, how much time would you be able to volunteer per month?

A few key findings from the survey were that 100% of those surveyed wanted more access to locally grown produce, 87% did not mind whether the Coop was on the East or West side of Manchester, 81% did not have a preference and that more than 75% of those surveyed expressed an interest in “working/volunteering at the Coop for more than 10 hours a month.

Target Markets Summary:

- Currently the members of the co-op (about 124) This number will need to be 1500 for opening and double during the first year of operation. Additional members will join at approximately 300 to 400 per year throughout subsequent years of operation (these are stats we received from other co-ops).
- Non-members customers (those that have not purchased memberships), but have expressed interest by signing on our Facebook page total 2100 and well over 700 in the Coops database, of those we estimate that 500 would be consumers without being members;

The following thoughts came from a community meeting that was held to discuss, “Just who might shop at the coop”

- Workers and visitors who are downtown at lunch or dinner time and would like to shop at a food market that would provide a deli and/or salad bar for a grab-and-go.
- People who are interested in buying local and supporting local businesses and not the big-box food market chains.
- The regular users of whole-food-type markets who understand the benefit of good nutrition and buying locally grown organic food. These consumers are the ones that do not need to be educated. They are savvy about the domination and excesses of food factories and understand the complexities of the corporate food economic system. The people who comprise this group would be from any of the centers of higher learning in and around Manchester such as UNH Manchester, Southern New Hampshire University, St. Anselm’s College, Hesser College, Community College of Manchester, Mass College of Pharmacy, Springfield College, and Manchester Institute of Art. We could also include those who work in the health related sector such as doctors, nurses, other health practitioners and those who are in the physical education field.
- Consumers who are looking for extra convenience who would use the Internet to place food orders and have it delivered to their homes or opt for a pick-up.
- Consumers who frequent the Manchester Farmer’s Market, its average attendance is 600-800 (Source, Intone Manchester).
- Miscellaneous shoppers: co-op staff and their families, local suppliers, people who have moved to Manchester from other states/communities well familiar with what co-operatives offer, and people who work and bank at credit unions as they already understand the concept of cooperative businesses and their benefit to the local economy.

Problem Analysis:

The problems that the Manchester Food Coop is striving to address are the lack of access to locally grown foods, a high level of poor nutrition within the inner city residents, and the inner city of Manchester being a Low Access Area (LAA), for fresh foods. A LAA is a new term used by TRF, The Reinvestment Fund, a group doing research and data analysis to improve food access in underserved areas.

The ripple effect of not having a full-service food market in the downtown area is undeniable. According to a recent health assessment study on individuals between the ages of 18 and 64 by the NH Department of Health & Human Services, 38.5% of Manchester residents are overweight and 25.5% are obese (NH DHHS, 2009). Obesity in the U.S. has doubled over the past 30 years. Six of the 10 leading causes of death are dietary-related diseases (CDC, 2010). Childhood obesity has more than tripled in the past 30 years. The prevalence of obesity among children aged 6 to 11 years increased from 6.5% in 1980 to 19.6% in 2008. The prevalence of obesity among adolescents aged 12 to 19 years increased from 5.0% to 18.1% (CDC, 2010) Obesity-related diseases adds \$147 billion a year to our health care costs.

Buying local is much more than a response to the desire for fresh wholesome food; it is a powerful economic development strategy and an important (but often unrecognized) tool for protecting and enhancing the health, beauty, and productive value of open land in the face of growing development pressures. It offers hope for existing farmers seeking to diversify and for those who want to enter this challenging but rewarding field. In the end, it's about building community and increasing self-reliance at a time when powerful economic forces are limiting our options.

The Co-op will allow more access to the “market” for local producers, create more access to healthy products for consumers and will create jobs. The creation of new jobs will allow for more dollars to remain circulating in the local economy.

The inner city nutritional concerns are connected to both poverty and access, i.e. the inner city becoming a Low Access Area, makes better foods not readily available, and then when it is available it comes at a higher cost to residents. The Manchester Food Coops strong leadership and vision will dedicate itself to improve the quality of life for its citizens by initiating a vital health outreach program, by educating folks about the actual “costs” of their diets, to give them the tools to make better choices and by increasing their access.

Stakeholder Analysis:

This table represents a Stakeholders Analysis and A SWOT Simple Analysis:

Stakeholders	Roles	Strengths & Weakness
Local Government	Job creation, land use, development relationships,	Is a gatekeeper on many aspects of the cooperative's start up and operation, such as licensing, zoning codes, and inspections
Angel Investors	Source of start-up capital.	Belief in the mission drives desire to invest.
Churches	neighborhood connections and volunteers	possible religious rivalries
Consultants	Stuart Reid from Food Coop 500, CDS Consulting who did our feasibility study and will do the Business Proforma	Making sure that the work being done is indicative of the existing market and works for Manchester
Founders	folks who will be the original capital funders	not promising too much, not asking for enough
Community Members	for the most part people who live in the trade area who have expressed interest in being customers and/or members. Currently generate interest in the cooperative effort through participation online	capturing ideas, thoughts and money from these interested parties
Suppliers and producers	farmers, Producers of local products & services	will be priced for volume and will need to be competitive
Community Development Finance Authority	Source of Seed/Start-up Money once cooperative is incorporated	Will be a key player in the start up financing and leveraging for other sources of funds.
Banks	Source of grants (restricted & unrestricted) and loans to finance startup and operations donations for community outreach events	Initiative does not have a history of operation for Financial Institutions to review. A convincing Business Plan and Pro Forma are critical
Credit Unions & Community Banks	Source of gap financing at lower interest rates, subordinate to larger loans as well as assurances for other institutional lenders through expertise and/or evidence of community support	Local people. Local money, Global impacts
Schools & Hospitals	Potential customers that are the largest local consumers of food which will allow cooperative to benefit from volume sales.	already involved in vendor contracts, must use the COOP as a health initiative
Competitors	Will help the initiative to understand the market and unmet needs.	have more money for advertising & marketing and incentive shopping values

This table represents some of the more broad relationships that will be built throughout three phases of the Start-up Process. It is important to note that between the Churches and the Local Government contacts many of the more personal relationships will be developed. The Churches will be key to gaining access to many of the more “marginalized” members of the Manchester Inner City Community, those with language or social barriers will learn about the Coop through their Pastor, Priest or Minister.

Our Local Government contacts have already proven invaluable for our planning process. These relationships will have many ups and downs but ones that we will have to very aggressively, patiently and honestly nurture. Without the support of the local governmental leaders the Co-op will be inadequately prepared to move ahead.

As shown by the table the Manchester Food Co-op has been very aggressively working with the community to make connections and build relationships so that from the very beginning of the project the people who will make up the consumer base, from whatever level, are not only invited to the table, but are intentionally sought out to be active participants in the development of the Co-op.

There are a large number of refugees and new immigrants here in the inner city of Manchester. Several of these “groups” have been working small community gardens at a variety of locations throughout Manchester. The Manchester Food Coop has been actively seeking gatekeepers to these groups.

Literature Review:

The problems that the Manchester Food Co-op seeks to address are threefold in nature and include, but are not limited to access, affordability, and poor nutrition of inner city residents. Food Cooperatives have been successfully used as community economic development strategies for many years.

According to Steve Gutknecht the Editor for the Cooperative Grocers, a bi-monthly magazine for Cooperative managers and directors, “Cooperatives keep capital in the community where it was generated, while stock companies export capital elsewhere, since they give surplus revenue back to their members, cooperatives keep wealth in their communities. Stock companies do the reverse. By distributing profits to shareholders, they take capital out of the community. Cooperatives exemplify the Ownership Society, while stock companies concentrate ownership among the investor class. Cooperatives are owned by those who buy their goods or use their services. Ownership of stock companies, on the other hand, is concentrated among a small group of outside investors.” (Gutknecht, 2008)

A recent report, by the University of Wisconsin Center for Cooperatives, states that, “growth periods also occur when large numbers of consumers experience economic difficulties and develop an interest in ownership and control of their retail food sources, when they become concerned for food safety, and when they experience a strong desire for an ethical society.” (Deller, 2009)

The Manchester Food Coop believes that the development of the Coop will allow Manchester a tool to address multiple social issues that the community has not been capable of addressing. As we took our first steps organizing the community to simply asking “Manchester” if they were ready for a Food Co-op in the inner city we heard over and over again that there is limited access to fresh food, that folks are paying too much, travelling too far to gain access and are struggling with the health consequences that an unhealthy diet bring. It is with great excitement that the Manchester Food Coop will bring a full-service, community centered, cooperative experience into the inner city of Manchester. In a recent article in Preventing Chronic Disease, “increased access to supermarkets is associated with lower prevalence of overweight and obesity, improved fruit and vegetable consumption, and better diet quality among African Americans, low-income households, and pregnant women. (Beaulac J, Kristiansson E, Cummins S, 2009)

The costs of limited access to good food continue to have negative implications as discussed in a recent report by the Centers for Disease Control and Prevention. The report was able to map the incidences of diagnosed diabetes cases by county and showed that in Hillsborough County the rates have gone from 5.9% in 2004 to 6.7% in 2008. (CDC, 2008)

The Manchester Department of Health has published the most comprehensive local report on childhood obesity in New Hampshire. In 2001-02, it found that 39% of first graders were overweight and 19% were obese as determined by BMI at or above the 85th percentile and 95th percentile respectively. They have made recommendations for policy changes to increase access to fresh fruits and vegetables during school meals. (City of Manchester, 2005)

The State of NH has become seriously concerned with obesity rates amongst school aged children and the harmful implications that negative nutritional choices have on children's health and academic performance. A Commission was established to address these concerns in 2008 and HB1422 was signed into law on June 18, 2008. The duties of the Commission were to research and make recommendations for public policy changes that would help address how "communities" can intervene in this growing epidemic of childhood obesity. One of the major policy recommendations' that was made by the commission is to, "increase the number of schools in the N.H. Farm to School program, which purchases food from N.H. farms and helps children to learn more about healthy eating. NHFTS works to strengthen relationships between local farms and schools by integrating agricultural production, school food procurement and school curriculum. NHFTS seeks to develop a healthy, community-based, community-supported school food system." (Foundation For Healthy Communities, 2009) The Manchester Food Cooperative can play an integral part of this community wide intervention by coordinating the farm to market process with the added benefit of enhancing the nationwide "local" movement.

Manchester inner city residents have been living in neighborhoods that clearly had been changing and within the last 10 years several "supermarkets" became disinvested in the inner city market and moved out. This trend was experienced throughout the United States and has left a gap in accessibility to food in inner city neighborhoods. According to the report, "Food Accessibility in the Inner City: What Have we Learned?", done by The Food Industry Center of the University of Minnesota, this has a direct correlation to higher prices the theory behind the report is that, "Since there are more independent and smaller sized stores in poor neighborhoods, prices for groceries in inner-city locations are higher compared to suburban areas. Factors conjectured to lead to higher operating costs for inner-city grocers include higher (or perceived higher) crime rates, low labor skills, high turnover rates, and higher shrinkage (theft and disposal of old products)." (Wendt, Kinsey & Kaufman 2008)

There is much discussion in the literature about the added costs of operating a grocery in the inner city and one of the main reasons is due to the competition and costs, "Central-city supermarket prices seem to be higher than suburban supermarket prices both because central-city costs are higher and because of more limited competition among supermarkets in central cities." (Kaufman, MacDonald, Lutz & Smallwood 1997)

The limited availability for groceries in the inner city of Manchester, NH has created not only the access issue but it has also created an economic access issue, “A review of 14 store surveys conducted from 1966-1996 indicates that food prices are generally higher in smaller grocery stores than in larger supermarkets and also higher in inner city and rural locations than in suburban locations. Since the poor are more likely to shop in small grocery stores and to live in inner city or rural locations, they often face higher food prices.” (Kaufman et al.) According to the report, “Supermarket Characteristics’ and Operating Costs in Low Income Areas”, “Available evidence indicates that shopping opportunities for the poor are more limited than for higher income consumers and that prices are slightly higher in stores whose patrons are chiefly low-income consumers.” (King, Leibtag & Behl 2004)

When the “Steering Committee” of the Food Co-op started the planning process we had the belief that Manchester had become a “food desert”. In a study prepared for the National Poverty Center and The USDA Economic Research Service Research Conference, food deserts were, “first identified as ‘grocery store gaps’, inner-city areas experiencing disinvestment in retail grocery stores leaving low-income inner-city areas underserved by traditional grocery store retailing, ” further refined questions and research methodologies for defining food deserts have determined a food desert as , “ low income, urban areas with diminished walking distance access to grocery stores .” (Sparks, Bania, & Leete, 2009) There is much debate over what actually constitutes a food desert. The Carsey Institute published, “What’s for Dinner? Finding and affording Healthy Foods in new Hampshire Communities” and states that, “while New Hampshire does not have food deserts by conventional standards, there are certainly areas in the state where access to affordable, adequate food is limited.” (Stracuzzi & Ward 2010) The location of the Manchester Food Cooperative will in what is called a “Low Access” area by TRF, The Reinvestment Fund. (TRF 2010) The typical “Low Access Area” is slightly different than a Food Desert but is clearly identified by the choices, distance and affordability of and to fresh food.

TRF, The Reinvestment Fund, states that, “For an estimated 25 million Americans, access to supermarkets is severely limited. TRF, a leader in neighborhood revitalization, has been working to improve fresh food access in underserved communities. The [Pennsylvania Fresh Food Financing Initiative \(FFFI\)](#), our first formal initiative around food access, is a nationally recognized success. Replication efforts of FFFI are being undertaken in several states including New York, New Jersey, Illinois, Louisiana and California. First Lady Michelle Obama has made improving access to healthy foods at affordable prices one of the cornerstones of her anti-obesity program and the President has proposed \$345 million for a [Healthy Food Financing Initiative \(HFFI\)](#) in the 2011 federal budget. HFFI draws on TRF’s national data analysis and experience implementing FFFI in Pennsylvania.” They have also developed a mapping system that shows inner city Manchester residents are in a “low access” area and conclude that, “By improving the retail food landscape in these communities, TRF’s programs provide families with increased access to fresh, more affordable foods.” (TRF 2010)

As the Manchester Food Co-op continues into its implementation phase we have the understanding that by changing the “food environment” we can have a major impact on the well being of our community. The links between disease and our “food environments” was recently the topic of a report done by UCLA Researchers, *“The Link between Local Food Environments and Obesity and Diabetes.”* “This report illustrates the impact of local food environment on dietary choices and diet related illnesses, such as diabetes and obesity. Changes in retail food availability have had an adverse impact on the health status of low-income communities. The authors provide evidence that people who have limited access to grocery stores and ample access to fast food restaurants and corner stores have a significantly higher prevalence of obesity and diabetes. Low-income communities often have a higher ratio of fast food restaurants to grocery outlets, which is a contributing factor in the rising rates of obesity among poor communities. The authors suggest that elected officials develop policies that improve access to healthy foods, such as incentives for, healthy food retailers and zoning restrictions on fast food restaurants in overburdened communities.” (UCLA Center for Health Policy Research, 2008) Another report in, PolicyLink states that, “One necessity of good health is being able to easily buy and eat fresh fruits, vegetables and other healthy foods. All too often, however, healthy food options are limited – or completely unavailable in low-income communities. This lack of local access to healthy, affordable food affects what people eat and ultimately threatens both individual and community vitality – residents risk obesity and other poor health conditions, and communities suffer.” (Flournoy, R, 2005)

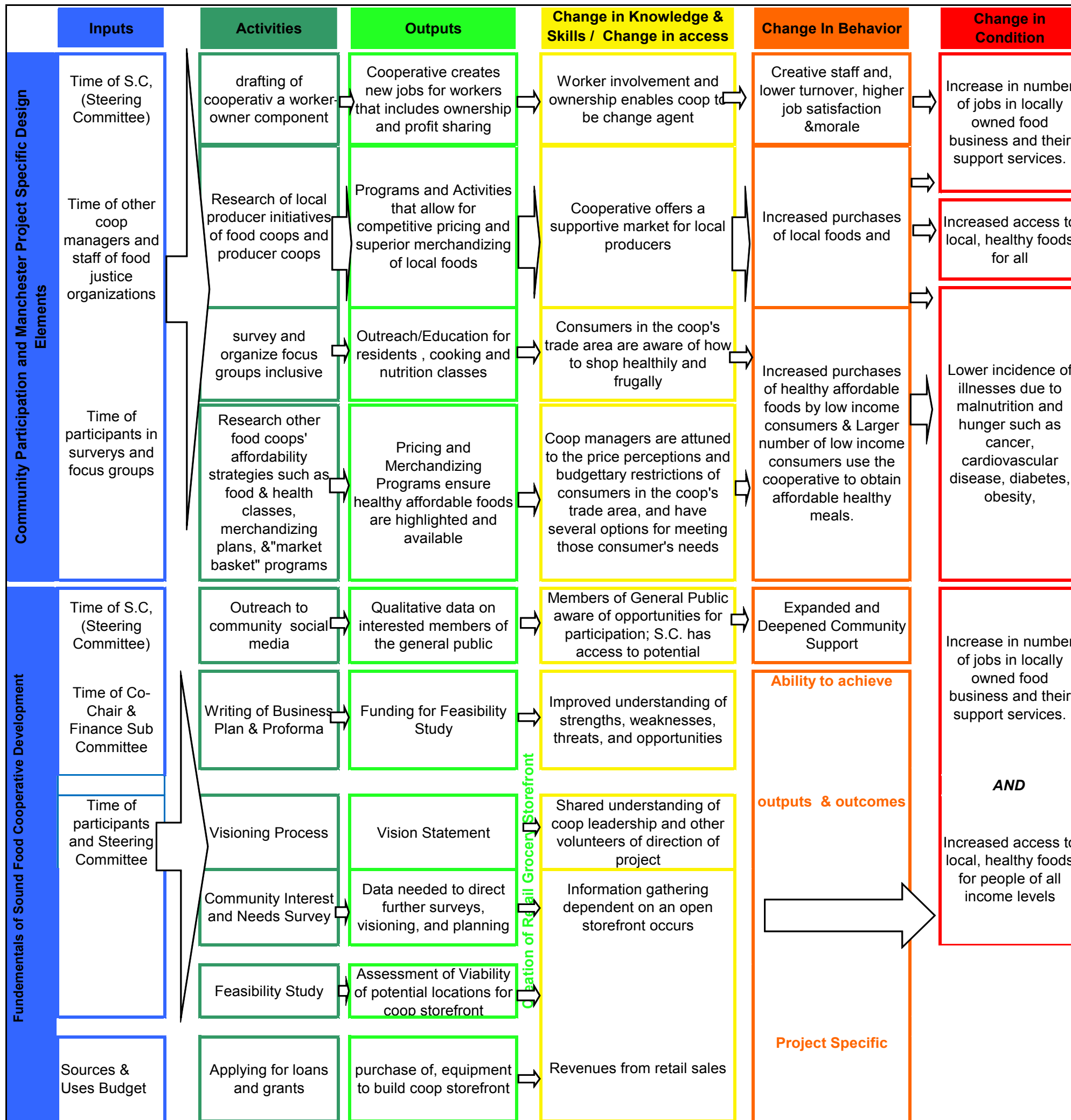
There are several community initiatives that the Food Co-op will be partnering with to further increase access to fresh affordable foods. A national program called, “Healthy Corner Stores Network” and “The Healthy Corner Store”, a program led by TRF and the Food Trust. This partnership is a tool that is being used nationally in community economic development strategies and is supported by many researchers. In a recent study done by PolicyLink, these, “Creative collaborations can help smaller stores address the challenges of higher wholesaler costs. Small stores can collaborate to leverage their collective buying power and engage in joint purchasing to get the lowest prices. This type of collaboration has enabled some smaller independents to compete with chain supermarkets.” (Flournoy 2005) By validation and by virtue this partnership will allow the flow of fresh foods to be more readily available in the lower income inner city neighborhoods in Manchester.

The Manchester Food Co-op, from its “birth”, believes that the success of the Coop will be determined by the level of community engagement. In a recently published research paper discussing the improvement of the overall health of a community the authors stated that, “The involvement of community residents is essential to advocating for, and implementing, changes to create more healthful environments and policies” and that, “Community engagement is also critical to the success of new initiatives.” (Minkler, Wallerstein, & Wilson 2008).

Michael Pollen, a writer who has dedicated his career to the discussion around food systems, access to healthy food and what we can do to make our eating more healthy. He has written to the President of the United States (Pollen, 2008)) about how national policy can support the local farming communities, the

reduction of pollution being added to the environment by current agricultural systems and the overall health of Americas' meat and poultry. In his most recent book, *In the Defense of Food*, he has developed an exhaustive strategy as to how the average American eater can navigate the modern grocery and learn to identify what "real" food is. By doing so he suggests that we can escape the chronic diseases that the Western Diet has caused. (Pollen 2008) The Manchester Food Cooperative will provide educational and nutritional information to consumers and members to ensure that they can make fully informed choices around what types of fuel they are using to run their bodies.

Manchester Food Coop Logic Model



Methodology and Implementation Plan:

The Manchester Food Coop has strategically organized its development into three phases.

1. Organizational
2. Feasibility/Planning
3. Implementation

There are a group of about 50 folks on our various committees and each is responsible for tasks that are specific to their individual goals. The separate groups meet at least once a month with the larger group being kept apprised to the accomplishments and work each subcommittee has completed. These meetings also provide an opportunity for feedback and clarity on anything that has been left undone.

A food co-op specialist consultant, Ms. Debbie Suassuna of CDS Consulting Co-op was contracted to conduct a Market Analysis in October 2010. The objective of the study addressed the following:

- Evaluate the Manchester Food Co-op's market area and define the anticipated trade area;
- Determine the total market potential in the trade area;
- Identify and evaluate the competitive environment;
- Calculate the level of sales potential;
- Review several sites for feasibility, site location characteristics;
- Draw conclusions and make recommendations pertaining to the size of the store and projected sales.
- Identify and evaluate any underserved markets (i.e. elderly, disabled, and those who live and work in the downtown district of Manchester)
- Identify locations that are accessible by city buses

The governance of the Manchester Food Co-op lies with the Board of Directors serving a three-year term. However, the day-to-day operations of the store will be conducted by a group of professional employees led by an experienced General Manager. The Concord Co-op management and staff are an integral part of our advisory group who would be help us with training of staff and have already advised us with valuable information pertaining to cost of goods and spoilage.

The equity structure has been approved by the Board of Directors and the member equity investment is \$100 per share. The voting structure is one member one vote regardless of how many shares a member owns.

Each department will be headed by a Department Manager who will have several clerks carrying out their daily responsibilities. The personnel plan has provisions for a Community Programs Officer who will provide educational and community programs to make the store more than just a place to shop.

Initially, the plan envisions having approximately 26.5 full time equivalent employees who will operate and conduct the daily business of the store. We anticipate the staffing to increase to 42 full time employees by the 5th year of operation. Please refer to the staffing sheet, Appendix II.

Financing and Capitalization:

Total capital requirement for the Manchester Food Co-op is estimated at \$1,725,265 which will be financed by a mixture of debt and equity capital. Of this amount, \$250,000 will be financed through member loans and member equity and will consist of 14.5% of the total capitalization needs. Members will buy membership shares of \$100 each, as well as participate in low-cost member loans, the interest rates, terms and conditions of which are being discussed and will be finalized by our Board of Directors in the next several weeks. The Membership Investment Drive is estimated to raise \$150,000 based on what other similar sized co-ops have raised.

A further 46.4% of the required capital in the amount of \$800,000 will be debt financing in the form of loans received from the Cooperative Fund of New England, Local Enterprise Assistance Fund, New Hampshire Community Loan Fund, The National Co-op Bank, St. Mary's Bank and various other banks and financial institutions.

A substantial amount of the financing will come from grants. Grant applications for many organizations such as Green Mountain Coffee, Ashoka's change-makers "revelation to action" competition, Blooming Prairie Foundation for new retail food co-op development and the Food Co-op Initiative for start-up food cooperatives, have either been processed or will be as the funding becomes available. The total amount of start up funds coming from grants is expected to be approximately \$650,000, which is equivalent to 37.7%.

The remaining 1.4% will be in the form of grants, in-kind services and gifts, the first of which has been received from Stonyfield Farm for \$5,000.

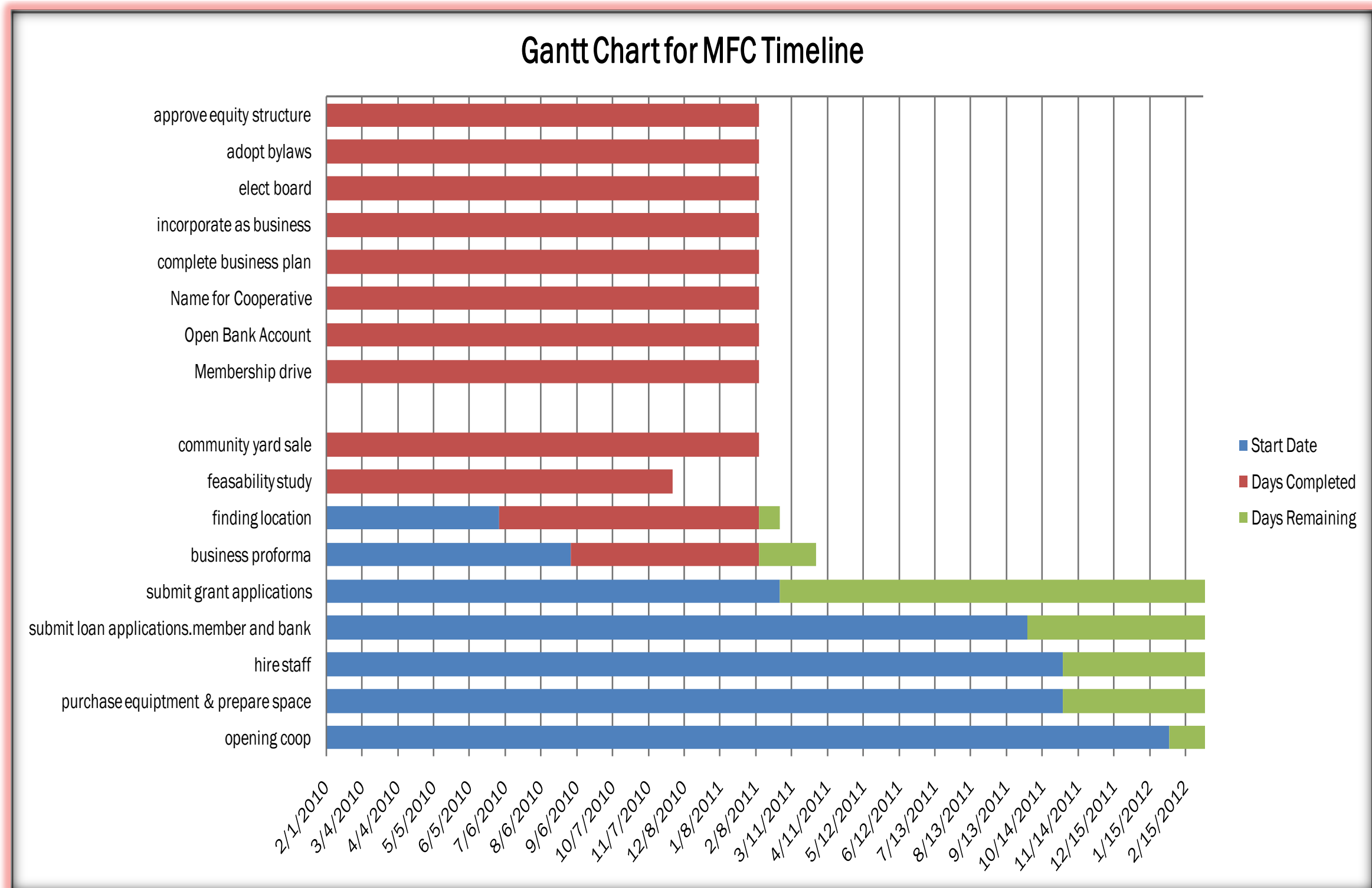
The Co-op's Development Committee is charged with identifying sources of grant funding at the federal, state and or national levels. The President of the Board of Directors, Ms. Veronica Kamerman, attended a Tax Credit Application workshop at the Community Development Finance Authority (CDFA) and found that the co-op would be eligible to apply for this funding. The Littleton Food Co-op secured \$500,000 towards its startup from this source.

The capital expenses for the Manchester Food Co-op will be primarily for the site pre-pays and the construction necessary to fit out the facility. It is estimated that pre-pays will be \$56,000. The construction and contingency is \$174,825. There is an additional cost for Architects, Project Management and other soft costs

including contingency of \$173,250 and an initial investment of \$645,000 in Equipment and technology. The Manchester Food Coop will also need the working capital reserve of \$400,000, initial inventory of \$ 182,257 and other pre-opening expenses totaling \$56,000. (See APPENDIX IV-Starting Balance Sheet)

Other co-operatives have also indicated that we can expect inventory financing from National Cooperative Grocers Association (NCGA), the co-operative food wholesaler which serves the region. It is a business service that helps unify co-ops in order to optimize operational and marketing resources, strengthen purchasing power, and ultimately offer more value to natural food co-op shoppers. NCGA members operate more than 145 stores in 32 states around the country with combined annual sales of nearly \$1.2 billion http://www.ncga.coop/files/NCGA_Media_Kit_0310.pdf .

Timeline and Gantt Chart



As shown in the Gantt chart (As of 2/11/2011) the Manchester Food Coop has an aggressive timeline and has reached many of its organizational goals very quickly. The Co-op project enjoys a strong community support. Many future members expressed their eagerness to become equity members as soon as the co-op is incorporated. The press has been covering our progress enthusiastically including several radio interviews.

As of this writing the first membership drive is underway. The very first member to make their investment into the Coop was Howard Brodsky, CEO of CCA Global Partners. A global cooperatively owned business that last year had 15 companies producing more than \$10 billion in aggregate annual sales.

Monitoring Plan:

Outputs	Indicators	Data Sources	Collection Method	Frequency	Who
Food Education and “Market Basket” Programs	X number of participants completes a food education class. “Market Basket” program integrated into merchandising of store	In store surveys and attendance lists, ongoing focus groups	In person from attendance sheets	Monthly	Educational Staff and Volunteers
Creation of a retail grocery store prioritizes local nutritious foods	Store Open	Dollar amounts spent and percentage of sales of local and nutritious foods	Point of Sale Data	Quarterly	Management Team
New Jobs for workers that includes ownership and profit sharing	X number of jobs created. X percentage of workers on ownership track with membership and profit sharing	Personnel & Membership Data	Employee Data	At hire & quarterly for jobs created. Annually for membership	Membership & Personnel Staff

As shown by the table above there will be numerous outputs, indicators, sources, and methods collected by various personnel. The Board is just beginning to discuss these issues and how best to develop a strategy that will capture how we are meeting the needs of our consumers and community. As the project progresses there will be different “things” to measure and it is going to be imperative that we continue to work together for the best way to monitor our strategies. The involvement and active participation from “members” and the community will be the best way to begin to measure the impact of the Food Coops’ reach.

Evaluation Plan:

The evaluation of the Food Coop will take place through a variety of methods to gather information around multiple issues so that we can measure our progress and to make sure we are meeting the needs of the community. The technology within the Coop will allow data to be gathered through the POS systems which allows tracking of specific spending and buying behaviors of shoppers. Please refer to the below table:

Indicators	Data source	Collection method	Who
Number of FTE Living Wage Jobs Created within coop. Number of FTE jobs created by coop's local vendors Dollars of local food purchased at coop, and percentage of sales that are local foods FTE- Full Time Employee	Coop's payroll, CGIN Cooperative Livable Wage Model Version. Coop's local vendors	Access payroll from accounting software. Data collected from vendor surveys	Management Team
Numbers of customers who shop at the coop that are receiving food stamps or WIC; addresses of member purchases correlated to income distribution by 2010 Census;	Store data, Identifying Food Desserts by using the USDA Food Security Assessment Tool Kit	Utilize Point-of-Sale as a database to track the sale of "staples" and to track the purchasing behavior of key participants	Health education committee and Coop staff (IT/POS)
Decrease in Hunger and a healthier community. People signing up for health education and nutrition classes as well as any other programs to be offered.	health department, coop consumer survey on health and diet, data from key informant interviews/focus groups	Survey Data collected in store and at food & health classes	Health Education Committee and Coop Staff(Education and marketing staff)

The Food Coop will use a variety of tools utilized throughout the planning and implementation phases, to determine the progress and success of the project. The Coop's leadership and collaboration with Food Coop Initiative will allow for ongoing evaluation to maximize the effectiveness of the Coops work within the community.

Sustainability Plan:

The economic viability of the Coop will be pretty simple to evaluate and monitor as it is a “bottom line” issue, documented by the financials and the bank accounts. (as shown by the financial projections in Appendix III.). The two other legs of The Manchester Food Coops sustainability plan will focus on the ecological/environmental and social impacts that the Coop will have on the present and future generations.

The simple driver of utilizing local producers of products will drastically help to reduce the damage done to the environment by minimizing the carbon footprint caused by the transportation of bringing goods to market. This is an important component of the vision for the Coop.

Finally the social impact of reaching into the community for members from all socio-economic backgrounds will help the Co-op become an integral part of the overall make-up of the City. The further the reach and the more effort we take towards making “food” affordable we will become more diverse and representative of the community. It will take very strong leadership and a clear vision of what “we” hope the Coop can be to always move forward towards reaching the goal of social equality, by removing the real and perceived barriers to access and consumption.

Final Summary:

The Manchester Food Co-op's Board of Directors envisions its cooperative food market as a three legged stool. Additional legs will be developed when our market matures. The first leg is the healthy alternative food choices for Manchester and adjacent regions. The second leg is to educate the community about choosing healthier food options and how those options would benefit the individual and the community. The third leg is to create a variety of activities and events reinforcing the other two legs.

Michael Pollan, recently, wrote in an article in the NY Times "The local food movement will continue to grow with no help from the government, especially as high fuel prices make distant and out-of-season food, as well as feed lot meat, more expensive." (Pollen 2008) The Manchester Food Co-op is at the cusp of the food movement. We will continue to capture the attention of the community so that people, who live, work and play in Manchester will have a healthy alternative to the typical shopping experience. We have proved that in just a few months over 2,100 people are interested in the project. We have created a virtual community of people who will be converted to real members and ultimately to consumers through social media outlets. This community of like-minded people will register their discontent with factory farms and its impact on our health and the environment by voting with their dollars to support the local food movement.

The Manchester Food Co-op intends to be a viable community-centered economic development project. The Co-op will be an anchor of the community, creating synergies with other independent businesses, generating new job opportunities (about 40 positions), and at the same time, its leadership will dedicate itself to improve the quality of life for its citizens by initiating a vital health outreach program. The Co-op has identified economic development resources and active public/private partnerships to pursue its goals. The food co-op will succeed because it has an incredible team of volunteers, terrific support from the community and there is a real need to supply healthy food options.

Buying local is much more than a response to the desire for fresh wholesome food; it is a powerful economic development strategy and an important (but often unrecognized) tool for protecting and enhancing the health, beauty, and productive value of open land in the face of growing development pressures. It offers hope for existing farmers seeking to diversify and for those who want to enter this challenging but rewarding field. In the end, it's about building community and increasing self-reliance at a time when powerful economic forces are limiting our options.

APPENDIX I - Board of Director's Bios

Veronica Kamerman, President

Veronica recently retired (November 2009) after working nine years at the School of Community Economic Development (SCED) at Southern New Hampshire University (SNHU). She now volunteers full-time to develop the Manchester Food Co-op project. At SNHU she was Assistant to the Dean at the School of Community Economic Development and was the coordinator of three major initiatives:

- **National CED Symposium** – Presentation of scholarly papers by Community Economic Development professionals pertaining to “Setting Economic Policy to Achieve Social Goals.”
- **The Financial Innovations Roundtable (FIR)** – Creates cross-sector partnerships among conventional and non-traditional lenders, investors, and markets to provide low-income communities with increased access to capital and financial services. <http://www.carseyinstitute.unh.edu/fir.html>
- **The Stonyfield Entrepreneurship Institute** – Provides an interactive environment for community minded entrepreneurs to learn about financing, marketing, management that are key to growing an enterprise.

The Symposium and Financial Innovation Roundtable were funded by the Ford and F.B. Heron foundations. Prior to working at SCED, she worked at the Currier Museum of Art in Manchester for nine years as the Director's Assistant. Ms. Kamerman earned her bachelor's degree from Hunter College (a city college of New York) and she graduated from the High School of Performing Arts in NYC.

Kris Bristol, Treasurer

In addition to my work as accountant/financial analyst at SNHU and holding an MBA and MS in finance, I have experience as past treasurer for the SNHU Professional Employee Association and currently serve in that capacity for Boy Scout troop 15 in Merrimack. I served several terms as chair of the University Budget Advisory Committee at SNHU and several years on the advisory board for the Southern NH Academy of Finance, including a few terms as secretary and as chair during my last year on the board which was a year of restructuring. In the past, I served as secretary for the board of directors of the NH chapter of the National Association of Tax Professionals. I currently volunteer with NH Jump\$tart Coalition which promotes financial literacy among high school students.

Brad Holt, Board Member

Brad has been a resident of Manchester for over thirty years. He has been active in the Independent Living movement and an advocate for Disability rights on a state and local level for three decades. He served on the Board of Directors of Granite State Independent Living from 1990 to 2003 and is currently involved with the Manchester Accessible Housing Initiative since 2005. Four of the last five tax seasons, Brad has participated in the IRS VITA program as a volunteer tax preparer providing income tax preparation to Manchester's low

income and immigrant population. He received his BS in Economics and Finance from New Hampshire College. He has been employed as a bookkeeper in a variety of business both manufacturing and retail.

Ron Janowitz, Board Member

Ron is excited to be an asset to the Co-op, especially in its formative stages. He has extensive experience in a variety of disciplines and industries. He believes the time is right for a community based food co-op that has the potential to be a unifying force to further Manchester's quality of life. He currently owns First Resort Marketing, a full service direct mail company. He has run this Manchester based company for 25 years. Previously he was involved in civil engineering, cable TV and manufacturing of wire.

He received his undergraduate degree is in Civil Engineering (CCNY) and his master's degree is in business from the University of Colorado.

He is active with the NH Chapter of the Appalachian Mountain Club (AMC). He currently acts as the program chair on the Executive Committee. He enjoys leading day hikes and extended trips for AMC.

He is Brad has been a resident of Manchester for over thirty years. He has been active in the Independent Living movement and an advocate for Disability rights on a state and local level for three decades. He served on the Board of Directors of Granite State Independent Living from 1990 to 2003 and is currently involved with the Manchester Accessible Housing Initiative since 2005. Four of the last five tax seasons, Brad has participated in the IRS VITA program as a volunteer tax preparer providing income tax preparation to Manchester's low income and immigrant population. He received his BS in Economics and Finance from New Hampshire College. He has been employed as a bookkeeper in a variety of business both manufacturing and retail.

Ron Janowitz, Board Member

Ron is excited to be an asset to the Co-op, especially in its formative stages. He has extensive experience in a variety of disciplines and industries. He believes the time is right for a community based food co-op that has the potential to be a unifying force to further Manchester's quality of life. He currently owns First Resort Marketing, a full service direct mail company. He has run this Manchester based company for 25 years. Previously he was involved in civil engineering, cable TV and manufacturing of wire.

He received his undergraduate degree is in Civil Engineering (CCNY) and his master's degree is in business from the University of Colorado.

He is active with the NH Chapter of the Appalachian Mountain Club (AMC). He currently acts as the program chair on the Executive Committee. committed to the belief that the "magic bullet" for a good quality of life is to stay fit and eat healthy food.

Kate Morneau, Board Member

Since moving to Manchester a few years ago, Kate has discovered the diversity and culture Manchester has to offer. She is very excited about the Co-op and she looks forward to taking on such an important role in seeing it grow. Kate is a lawyer practicing in family and criminal law and has joined the Legal Sub-Committee of the Co-op. As a recent vegetarian, Kate strives to add healthy, local foods to her diet and believes the Co-op would be a wonderful addition to Manchester.

Brenda Noiseux, Board Member

Since I organized my first petition at age 12, against testing cosmetics on animals, I've led a life focused on community involvement and a green lifestyle. Moving back to New Hampshire after attending Columbia University, I was reminded how our "cities" lack downtown spaces for people to walk to, hang out in, live, shop and play. Volunteering on projects such as the Web committee for the Manchester Food Co-op initiative and organizing massage therapy events as co-vice president of the NHCTC Massage Therapy Club, not only strengthen my community, but my commitment to it as well. Never wanting to be limited by my experiences, I've focused my professional career on all aspects of business. I owned a small business in downtown Manchester for several years. My work credit includes customer service call centers, insurance sales with over half million dollars in business, account management, documentation writing and training. Currently I work as a project lead and software trainer for a company providing Web-based solutions to schools. I am also a resident and homeowner in Manchester, where I live with my husband, teenage son and cat.

Linda Purdy, Board Member

Linda has been working on social and economic justice efforts for more than two decades. She is working toward a Masters Degree in Community Economic Development from Southern New Hampshire University. The Manchester Food Co-op is her Master's thesis project and she brings great energy and passion to the group.

Michelle Shelton, Board Member

In addition to her role with On Call, Michelle is actively involved in the U.S. Travel Insurance Association (USTIA), where she serves on the communications and technology committees and edits the association's e-newsletter.

Shelton is an avid supporter of the green movement, a vegetarian, a yoga enthusiast, and a voracious reader of anything and everything related to living a more environmentally-conscious and sustainable lifestyle. Knowing how the environment and our health are inextricably linked, she is dedicated to helping the Manchester food co-op movement become a reality as a source of local, sustainable, and healthy food for the

community. Shelton aspires to become a green activist, helping others to lead more environmentally-friendly lives in an attainable way. Shelton holds a BA in foreign languages degree from Middle Tennessee State University

Appendix II- Estimated Start up Costs

<u>Estimated Starting Costs</u>		Price (USD)
Invested Capital		\$1,725,265
Projected Start Up Costs		
Acquisition inclusive of parking		20,000
Construction Costs		166,500
Construction Contingency		8,325
Equipment and Fit out		645,000
Inventory		182,257
Soft Costs (Architects, Legal, Project Management, Etc.)		157,500
Soft Cost Contingency		15,750
Pre-paid expenses (Rent, utilities)		56,000
Operating/Admin prior to opening		4,627
Start up Promotion/ Marketing		9,306
Holding/Site Costs		30,000
Post Opening Professional support		30,000
Total Start Up Expenses & Reserves		\$1,325,265
Invested Capital less Start up = Opening Day Cash		\$400,000

Appendix III- Five Year Pro- Forma Financial Statements:

Manchester Food Cooperative					
5 year ProForma Financial Statements					
Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenue					
Sales	3,722,376	3,908,495	3,937,809	3,967,342	3,997,097
Cost of Goods Sold	2,602,961	2,681,050	2,687,752	2,694,472	2,701,208
GROSS PROFIT	1,119,415	1,227,445	1,250,056	1,272,871	1,295,889
Operating Expenses					
Compensation & Benefits	(701,663)	(722,712)	(724,519)	(726,330)	(728,146)
Occupancy expense	(200,000)	(206,000)	(206,515)	(207,031)	(207,549)
General & Administrative expense	(72,000)	(74,160)	(74,345)	(74,531)	(74,718)
Advertising expense	(7,680)	(7,910)	(7,930)	(7,950)	(7,970)
Depreciation expense	20,029	20,630	20,681	20,733	20,785
Total Operating Expenses	(961,314)	(990,153)	(992,628)	(995,110)	(997,598)
Income from Operations	158,102	237,292	257,428	277,761	298,292
Other Revenue and Expenses					
Interest expense	(92,642)	(92,642)	(92,642)	(92,642)	(92,642)
Pre opening expenses ^a	-				
Net from Other Revenue and Expense	(92,642)	(92,642)	(92,642)	(92,642)	(92,642)
Net Income before Federal Income Tax	65,460	144,650	164,786	185,119	205,650
Less Federal Income Tax Expense		36,163	41,196	46,280	51,412
Net Income after Federal Income Tax	65,460	108,488	123,589	138,839	154,237
Statement of Retained Earnings					
Retained Earnings - Beginning		65,460	173,947	297,537	436,376
Net Income (Loss)	65,460	108,488	123,589	138,839	154,237
Retained Earnings - Ending	65,460	173,947	297,537	436,376	590,613

Assumptions: For 5 Year ProForma Financial Statements

Store Size 8,000 - 12,000 sq. ft.	10000
Members (who regularly shop)	1000
Non members (who regularly shop)	250
Average hrs weekly grocery expense	90
Number of weeks in a year	52
Returns & discounts (% of gross sales)	0.25%
Cost of Goods Sold (% of net sales)	70.00%
Compensation & Benefits	\$1,219,500.00
Occupancy expense	\$ 242,871.84
General & Administrative expense	\$284,714.82
Depreciation expense	\$136,971.12
Interest expense	\$205,363.08
Start up expenses	\$131,508.00
Year Two Rate of Sales Growth	5%
Year Two Rate of Increases in expenditures	3%

APPENDIX IV: Manchester Food Cooperative Initial Staffing Projections

Position	Num	Hr/\$	Hrs.	wks	Annual \$	benefits @ 25%	Total
General Manager	1	25	40	45	45,000	11,250	56,250
Grocery Manager	1	13.65	40	45	24,570	6,143	30,713
Grocery Clerks	4	8.2	40	45	59,040	14,760	73,800
Produce Manager	1	13.65	40	45	24,570	6,143	30,713
Produce Clerks	2	8.2	40	45	29,520	7,380	36,900
Meat & Seafood Manager	1	13.65	40	45	24,570	6,143	30,713
Meat & Seafood Clerks	2	13.65	40	45	49,140	12,285	61,425
Diary Manager	1	13.65	40	45	24,570	6,143	30,713
Diary Clerks	1	8.2	40	45	14,760	3,690	18,450
Bulk Clerks	2	8.2	40	45	29,520	7,380	36,900
Health & Beauty	1	13.65	40	45	24,570	6,143	30,713
Cashier Supervisor	1	13.65	40	45	24,570	6,143	30,713
Cashiers	3	8.2	40	45	44,280	11,070	55,350
Operations & HR	1	13.65	40	45	24,570	6,143	30,713
Pricing	1	13.65	40	45	24,570	6,143	30,713
Finance/Accounting Manager	1	13.65	40	45	24,570	6,143	30,713
Bookkeeper	1	11	40	45	19,800	4,950	24,750
Community Programs	0	13.65	40	45	-	-	-
Member Services	0.5	13.65	40	45	12,285	3,071	15,356
Marketing	0.5	13.65	40	45	12,285	3,071	15,356
Maintenance	0.5	13.65	40	45	24,570	6,143	30,713
Totals	26.5				561,330	140,333	701,663

Appendix V: Start up Balance Sheet

**Manchester Food Co-op
Balance Sheet
As of Nov. 1, 2011**

Assets	
<u>Current Assets</u>	
Cash in Bank	\$400,000
Inventory	\$182,257
Prepaid Expenses	\$56,000
Other	\$0
Total Current Assets	\$638,257
<u>Fixed Assets</u>	
Machinery & Equipment	\$645,000
Real Estate / Buildings	\$186,500
Other	\$181,575
Total Fixed Assets	\$1,013,075
Total Assets	\$1,651,332
Liabilities & Net Worth	
<u>Current Liabilities</u>	
Accounts Payable	\$182,257
Total Current Liabilities	\$182,257
<u>Long-term Liabilities</u>	
Bank Loans Payable (greater than 12 months)	\$800,000
Total Long-term Liabilities	\$800,000
Total Liabilities	\$982,257
Owners' Equity (Net Worth)	\$669,075
Total Liabilities & Net Worth	\$1,651,332

^a Includes six month rent plus \$10,000 utilities and other expenses

APPENDIX VI - Accomplishments and On-going Initiatives:

- We are planning to do a special outreach through the assistance of the Chamber of Commerce to obtain corporate sponsorships for businesses to enroll their employees with a special fringe benefit; this would remit membership in bulk and the co-op could save on administration. The Manchester Chamber of Commerce has agreed to help us with this initiative;
- We are planning to partner with downtown restaurants to purchase locally produced food in bulk. We have been contacted by owners or directors of the Z Restaurant, Hanover St. Chop House, Jewell and the Beanstalk and Consuelo's Taqueria. The co-op will be proactive in promoting a food purchasing coalition for Manchester area restaurants;
- Manchester Housing and Redevelopment Authority (MHRA) has expressed interest in promoting the Co-op project;
- Maximized Social Networking via the Internet. We have created an impressive network of over 2100 connections through our Facebook page (<http://tinyurl.com/ydmr3fh>) and Blog Spot (<http://manchesterfoodcoop.blogspot.com/>), We will continue to maximize the social media to augment membership and implement market surveys and are working on a website that would also be an informational hub for community activities;
- The Co-op has created an ongoing interest with the Union Leader and Hippo Press about the co-op as shown below. Our contact at the Union Leader is Dan Tuohy and at Hippo Press is Linda Thompson-Odum.
- ✚ Hippo Press: <http://www.hippopress.com/100114/food.html>, January 14, 2010,
- ✚ Hippo press: Manchester to get food co-op, December 2, 2009
- ✚ Hippo Press: Food Co-op Continues, February 25, 2010
- ✚ Hippo Press: March 11, 2010, Food for the People
- ✚ UL Article, Food Co-op Grows Favor, November 28, 2009, <http://www.unionleader.com/article.aspx?headline=Food+co-op+grows+favor&articleId=22c07808-b462-4e01-aab3-33b15f3e107a>
- ✚ UL Article, Food Co-op Interest Grows, January 4, 2010, <http://topics.treehugger.com/article/05pg4dgdMggVL>
- We have used the local radios' public service announcement to our advantage, and connected with a producer at NHPR.
- 2 radio interviews with WZID
- Articles appeared on the co-op in the online newsletter Fortress Manchester <http://www.fortressmanchester.com/home/2009/11/13/cooperative-food-market-coming-to-manchester-nh.html> We are also on their Blog Roll. There was an article in the Dairy Planet,

Stonyfield Farms' employee newsletter, St. Mary's Bank's employee newsletter, and CCA Global Partners' employee newsletter. We even infiltrated PSNH's cafeteria with our flyers;

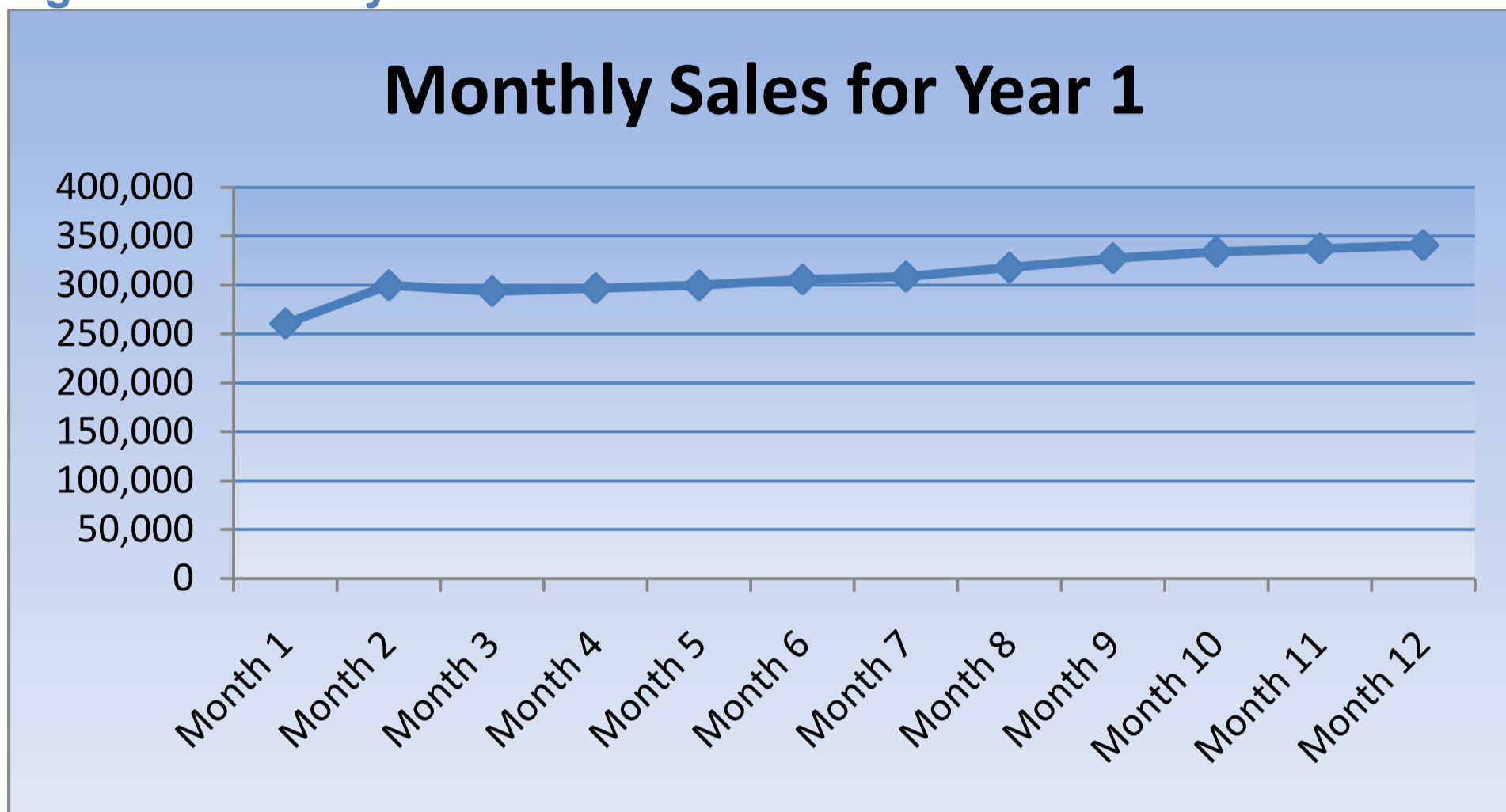
- Organizational Development :

- ✚ The Co-op has made presentations to the Manchester and the Queen City Rotaries;
- ✚ Scheduled a presentation to the Derry Democrats in June;
- ✚ Met with Michael Skelton at the Manchester Chamber of Commerce and planned ways the Chamber could assist to the co-op;
- ✚ Established a contact with Donna Paquette at the Mall of NH (Mall agreed to host an informational table for the co-op during the busy holiday shopping and she indicated that we were welcome to come back again)

APPENDIX VII: Sales Projections:

The financial projections as illustrated are based on industry standard data for the country, specifically for New England and for New Hampshire where such data is available.

Figure 1: Monthly Sales for Year One

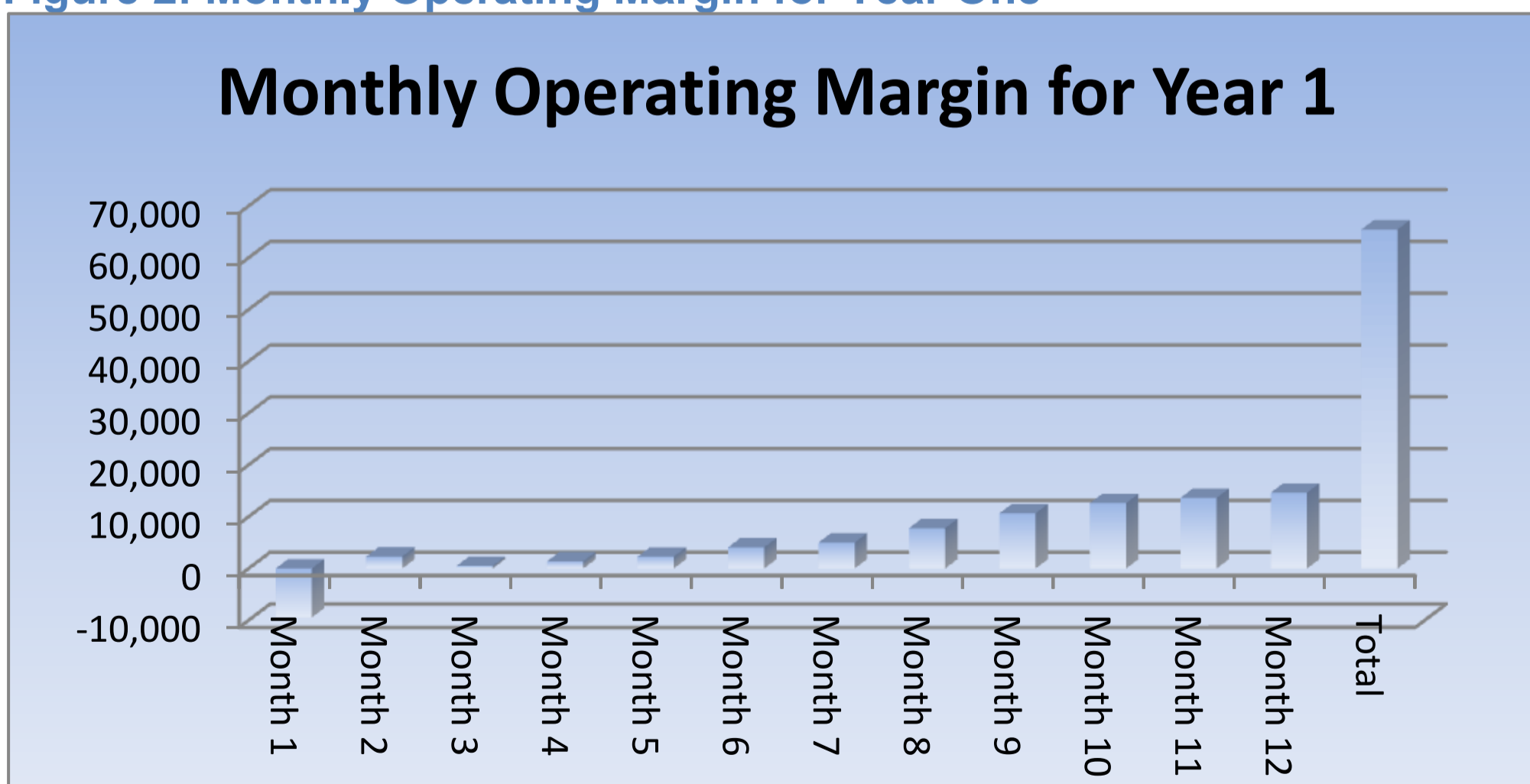


The sales projections include a strong member-base of 1,000 people and an additional 25% who would shop at the co-op regularly. Based on data for a similar store in Manchester whose average weekly sales is \$113,000, it is estimated that the co-op's first month's sales will be around approximately \$450,000.

Projected Profit and Loss

This steady increase in sales amount will make the store to operationally breakeven by the ninth month in the first year. However, due to initial losses in the first eight months, the first year will see a net loss of \$58,000

Figure 2: Monthly Operating Margin for Year One



Bibliography:

Babey, S. et al. (2008) *Designed for Disease: The Link Between Local Food Environments and Obesity and Diabetes*. UCLA Center for Health Policy Research

Beaulac J, Kristiansson E, Cummins S (2009). *A systematic review of food deserts, 1966-2007*. *Preventing Chronic Disease*; 6(3). Retrieved January 3, 2010 from http://www.cdc.gov/pcd/issues/2009/jul/08_0163.htm.

Centers for Disease Control and Prevention: National Diabetes Surveillance System. (2008) Retrieved December 8, 2010 from <http://www.cdc.gov/diabetes/statistics/index.htm>.

City of Manchester, *Department of Health: Obesity Report Card* (2005) Retrieved February 27, 2011 from <http://www.manchesternh.gov/website/Portals/2/Departments/health/200512%20Obesity%20PHRC.pdf>

Deller, S. A.-S. (2009). *Research on the Economic Impact of Cooperatives*. Madison: University of Wisconsin- Center for Cooperatives.

Foundation For Healthy Communities. (2009). *Commission For the Prevention of Childhood Obesity*. Retrieved February 26, 2011, from <http://www.nhha.org/WhatsNewFiles/2009%20downloads/Commission%20report%2009%20FINAL.pdf>

Gutknecht, D, (2008). *Cooperative Grocers, Thinking Outside the Coop*, Issue #136 Retrieved June 7. 2010 from <http://cooperativegrocer.coop/articles/index.php?id=803>

Kaufman, P.R.: MacDonald, James M.: Lutz, Steve M.: Smallwood, David: (1997) *Do The Poor Pay More For Food? Item Selection and Price Differences Affect Low-Income Household Food Costs*. Retrieved March 02, 2011, from <http://www.ers.usda.gov/publications/aer759/AER759.PDF>

King, Robert P.: Leibtag, Ephriams: Behl, Ajay S: (2004) *Supermarket Characteristics' and Operating Costs in Low-Income Areas*. Retrieved March 02, 2011, from <http://www.ers.usda.gov/publications/aer839/aer839.pdf>

Flournoy, R., Treuhaft, S., (2005). *Healthy Food, Healthy Communities: Improving Access and Opportunities through Food Retailing*. PolicyLink, Pg 10, Retrieved June 7, 2010 from <http://www.policylink.org/atf/cf/%7B97C6D565-BB43-406D-A6D5-ECA3BBF35AF0%7D/HEALTHYFOOD.pdf>.

Minkler, M., N. Wallerstein, & N. Wilson. (2008). *Improving Health through Community Organization and Community Building*. In *Health Behavior and Health Education: Theory, Research and Practice*, 4th ed., edited by K. Glanz, B. Rimer, and K. Viswanath, pp.279–311. San Francisco: Jossey-Bass

New Hampshire Department of Health and Human Services. (2009, November 1). Retrieved March 2, 2011, from NH Department of Public Health Services: <http://www.dhhs.nh.gov/data/documents/brief10.pdf>

Pollan, M. (2008). *In The Defense of Food*. New York: Penguin Group.

Pollen, M. (2008). Letter to the President of the United States, *Dear Mr. Next President Food, Food, Food* Retrieved February 27, 2011 from http://www.alternet.org/environment/102678/-_dear_mr._next-president_food,_food,_food/?page=entire

Sparks, A., Bania, N., & Leete, L. (2009). *Finding Food Deserts: Methodology and Measurement of Food Access*. Washington: National Poverty Center.

Stratcuzzi, N., S. Ward. (2010). Carsey Institute: *What's for Dinner? Finding and affording Healthy Foods in New Hampshire Communities*. Retrieved December 9, 2010 from http://www.carseyinstitute.unh.edu/publications/IB_Stracuzzi-Ward_Healthy_Food.pdf

Stuart, R. (2010, April 21). *Food Coop Initiative to Lead Effort to Start Retail Food Coops*. Retrieved February 27, 2011, from Food Coop Initiative: http://www.foodcoopinitiative.coop/sites/default/files/FCI_PressRelease.pdf

TRF, The Reinvestment Fund (2010). *Food Access 101: Identifying Low Food Access Areas and Assessing Market Viability*. Retrieved December 9/2010 from <http://www.trfund.com/TRF-food-access.html>