

# Union Cooperative Initiative Grows in Cincinnati

*Apple Street Market and a co-op development vision*



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In the Northwest neighborhoods of Cincinnati, Ohio, residents have gotten together to open a food co-op. As in many other communities organizing food co-ops in recent years, this Cincinnati effort is in response to the loss of a neighborhood grocer—in our case, the abrupt closure of the local Save-A-Lot in August 2013.

For local residents, bus service to the nearest grocery store is infrequent and inconvenient, forcing the quarter of the population with low vehicle access to spend up to two hours in transit, pay a burdensome \$12–15 for taxi service, or depend on the neighborhood's convenience stores for daily needs—stores with little fresh produce and other whole and minimally processed foods. Increasingly, supermarket chains have eschewed maintaining or opening stores in neighborhoods where they are needed. This has left the problem of the food desert to be solved by community efforts like our cooperative, Apple Street Market.



### Hybrid product mix, hybrid ownership

Apple Street Market will be a hybrid of a natural foods store and a conventional grocer, striving to combine the best features of Northside's successful farmers market, a modern consumer food cooperative, and a value-oriented full-service grocery. To serve the needs of low-income residents, a little more than half of the store's product

mix will be conventional, skewed heavily toward a competitively priced private label provided by Associated Wholesale Grocers, which will be Apple Street Market's primary supplier. Reflecting the income diversity of Northwest Cincinnati and feedback from residents of our neighborhoods, the remaining product mix will be organic, and 20 percent will be locally sourced.

In other ways, Apple Street Market differs not just from earlier waves of food co-ops but from the current wave as well. For starters, Apple Street Market will be a consumer AND worker cooperative, with both sets of owners sharing in the governance and capitalization of the cooperative. For another, the cooperative workplace will be unionized, with the worker owners negotiating their first contract with management twelve months after the store opens.

### Mondragon inspiration

These features of Apple Street Market are part and parcel of a larger community development effort by Cincinnati Union Cooperative Initiative to create social and economic justice through the creation of a network of worker-owned and worker-managed businesses. The campaign is modeled after the Mondragon worker cooperatives of the Basque region of Spain, in particular the Eroski worker- and consumer-owned grocery cooperative—possibly the largest multi-stakeholder cooperative in the world.

Mondragon had humble origins as a worker-owned cooperative manufacturing kerosene heaters, a early effort on the part of the Basque ethnic minority to gain economic autonomy from a hostile, fascist national government in Spain. Over time, Mondragon created a network of worker-owned and worker-managed cooperatives spanning multiple sectors of the economy, including the Eroski grocery chain in 1970.

Our local development effort arose after the Cincinnati Intercommunity Justice and Peace Center sent delegations of local civic leaders to the Basque region of Spain, where they interacted with the leaders of Mondragon. In 2009, after the United Steelworkers Union and Mondragon announced their partnership, a group of union and human rights activists familiar with the Basque cooperative formed a study group to explore the idea of creating a network of unionized worker cooperatives in Cincinnati.

### Our Harvest Cooperative

The study group launched Cincinnati Union Cooperative Initiative (CUCI), and in April 2012 CUCI ventured into incubating union-worker cooperatives, starting with the food hub and farm, Our Harvest Cooperative. Over the past five growing seasons, Our Harvest has expanded to two farming



sites totaling 12 acres under production and, as of 2016, it employs 12 workers and has partnered with more than 21 other local food growers and producers to distribute their products.

Our Harvest's eight-person farm team raises vegetables 12 months a year using sustainable growing practices. This food is then sold to grocery stores, restaurants, institutions, individuals, and communities across greater Cincinnati. Through the cooperative's Harvest Day program, Our Harvest's food hub team transform community institutions—schools, churches, neighborhood centers—into food-access points, helping to expand access of fresh, local produce to all communities, especially those currently lacking full-service grocery stores.

In keeping with the sixth principle of cooperation among cooperatives and CUCI's vision of pooling resources from across different sectors, Our Harvest will be the backbone of Apple Street Market's produce department.

In 2013, its second year, CUCI launched Sustainergy, an energy-savings cooperative that currently employs five staff, including one worker-owner and two more staff on track to becoming worker-owners. The cooperative helps homeowners reduce utility costs by providing low-cost and high-impact home upgrades that are engineered to save households more in heating and cooling expense than the upgrades cost. Sustainergy workers then follow up each job to ensure the upgrades are having the promised impact, taking the risk out of home improvements that conserve energy.

Sustainergy has played an important role in improving access to energy-efficiency improvements. Upon its founding, Sustainergy and CUCI joined forces with an environmental sustainability alliance to establish Cincinnati as a Property-Assessed-Clean-Energy district. This kickstarted a local energy-efficiency market that will provide future growth for the cooperative as it expands its clientele to commercial and industrial customers—among them, Apple Street Market. More recently, Sustainergy has partnered with Empower Gas and Electric on a local energy-efficiency initiative for homeowners; it provides free energy audits and installs upgrades that provide a return on investment within three to four years.

### Co-ops and the underserved

Sustainergy, like Our Harvest, is a union workplace. At first glance, the role of a labor union in a worker cooperative would seem an odd fit. However, collaboration between labor unions and cooperatives goes as far back as the 1830s, when unions created cooperatives as a way to improve wages, save jobs, and build community wealth—and that continues to this day.

While cooperative principles and values inform a broader definition of the ownership interests of our food co-op members, it is nonetheless difficult for the governance role to encompass the interests of worker-owners—people for whom the workplace represents a third or more of their waking life. Toward this end, the Mondragon cooperatives created social councils, elected bodies that have input into pay scales and have final say in individual worker grievances over wages, benefits, and working conditions. In Apple Street Market, Our Harvest, and Sustainergy, >



a union committee fulfills this role, including the negotiation of a collective-bargaining agreement.

Families and neighborhoods across our city, like many other parts of the country, are struggling with high rates of long-term unemployment. These workers and the families and communities they support need and deserve not just jobs, but career paths that provide a family-sustaining wage, benefits, and essential training. And, of course, affordability of food is also determined by access or lack of access to living wage jobs.

When our community opens Apple Street Market in the spring of 2018, we intend for it to be the first in a series of food cooperatives in underserved Cincinnati neighborhoods, and these stores, in turn will form part of a network of worker-owned cooperatives. It is our hope that a multi-sector association of co-ops modeled after Mondragon can take advantage of opportunities in different sectors and buffer periodic crises in other sectors, thereby building a resilient, democratic economy for our communities. □

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