

The logo for the Fairbanks Daily News-Miner. It features a banner at the top with the word "FAIRBANKS" in a serif font. Below the banner, the words "Daily News - Miner" are written in a large, bold, sans-serif font.

Group eyes local natural food co-op

By Eric Lidji

Published March 27, 2007

A local group is hoping to attract support for a natural food co-op in Fairbanks.

“We felt there was a need in the community for it,” said Dave Lacey, one of the leads on the project. “We can’t depend on corporate or government to take care of us. We’re at the end of the supply line up here.”

The core group of about one dozen people are in the process of incorporating with the state and raising money for a feasibility study to determine if Fairbanks has a viable market for local, natural foods.

Lacey said the natural food market was well-served for years by the Whole Earth Grocery and Deli. Since the store closed several years ago, many have lamented its absence without making an effort to replace it.

“We went for seven or eight years without one,” Lacey said. “No one stepped forward.”

Stores such as Fred Meyer and Safeway stock organic products, but are not locally owned. The Fairbanks Natural Food Co-op would be a store where people could buy produce and other local foods, as well as a selection of “green goods,” such as compact florescent light bulbs.

The ultimate goal would be to stimulate local food production by providing a year-round outlet for those products, Lacey said.

A co-op is a business owned by its customers, who form a membership to elect a board of directors and guide corporate decision-making.

The model has been used in Alaska to support groups such as the Alaska Farmers Co-op Feed Store in Delta Junction and the Seafood Producers Cooperative in Sitka, to large credit unions such as AlaskaUSA Federal Credit Union or utilities such as Golden Valley Electric Association.

Lacey discovered the possibilities of the cooperative business model during his 22 years working for the Dinyee Corp. in Stevens Village.

He found consensus to be very important in Native communities. While occasionally frustrating, it also made shareholders feel involved in their business.

Early frustration often keeps co-ops from getting past the idea phase, according to Hans Geier, an economist with the Alaska Cooperative Development Program at the University of Alaska.

“A good way to start an argument is to put two people who do the same thing in the same room together,” Geier said. “We’re hoping to turn that record around.”

The United States Department of Agriculture provided \$4.3 million last year to help cooperative development centers in 20 states, including a \$185,363 grant for the University of Alaska to fund the Alaska Cooperative Development Program, which tries to educate new co-ops and strengthen existing ones.

Geier has been helping the Fairbanks Natural Food Co-op through the early stages of the project, which he believes could fill the absence of locally owned grocers in Fairbanks.

“These kinds of things are happening all over the country,” he said. “If these guys play their cards right, they can kind of ride the wave out there.”

The national interest in cooperatives seems to be the result of a confluence of recent trends, from concerns about food safety to the rising cost of transportation, according to Andrew McLeod, with the Northwest Cooperative Development Center, a Washington-based group helping the Fairbanks project.

However, he said, a worker can forget to wash his hands on a local farm, and often economies of scale negate the high price of oil. Food co-ops, he said, haven’t even done much to increase local food production on a large scale.

Instead, most successful food co-ops seem to be motivated by passionate people looking for local access to quality food, especially produce.

“They certainly seem to fail to launch more often than they succeed,” McLeod said. “Once they are open, though, co-ops seems to have a higher success rate than other businesses.”

McLeod described a food co-op in Olympia, Wash., with such strong member loyalty that organic chains such as Whole Foods and Wild Oats have been hesitant to penetrate the market.

It can take years to get to that point, though.

“That’s why we need to raise money for the feasibility study,” Lacey said.

Contact staff writer Eric Lidji at 459-7504 or elidji@newsminer.com.

This article may be accessed online at <http://newsminer.com/2007/03/27/6166/>.

This article is copyrighted property of the Fairbanks Daily News-Miner. Unauthorized reproduction of this article other than for personal use is strictly prohibited. To obtain permission for republication in any form, please contact the News-Miner. Visit <http://newsminer.com/contact/> for more information.