

Established
1973

LINEWAITERS'

GAZETTE

100%
SOY BASED
Ink System
Contains no solvents or dyes

Volume 00, Number 7

April 9, 2020

Coronavirus Puts Coop in Financial Squeeze

By Leila Darabi

The COVID-19 crisis has put the Coop in a financial squeeze as sales have nosedived and labor costs have increased due to new safety procedures.

The details of that squeeze and the Coop's strategy for dealing with it were explained on April 1 by Coop co-founder and general manager Joe Holtz in an interview with the Gazette. He also talked about supply lines, safety procedures and the pressure the pandemic is putting on the staff.

To date, no Coop staff member or hourly worker has tested positive with COVID-19.

"I'm so proud of everybody that works here for coming in and running the Coop," he said, his voice cracking a bit from emotion.

A Spike in Sales Followed by a Plummet

At the end of February, as New Yorkers' fearfully anticipated COVID-19 striking the city, Coop sales surged. Staff and members working shifts on a regular schedule struggled to keep up. Lines snaked the length of the store and moved slowly as members piled carts high with boxes of pasta, canned goods and bulk aisle basics.

"It was a knock-down, drag-out, exhausting time," said Holtz.

From the last week of February through the first two weeks of March—sales totaled nearly \$5.5 million, an increase of around \$1 million total over that three-week period. For context, during a comparable week last year, the Coop had an average of about \$1,150,000 in weekly sales.

On the week ending March 22, sales were down \$200,000 to about \$950,000. The following week, the first full week of the new restrictions, they were down \$600,000. And when the Gazette spoke to Holtz, the week ending on April 5 was on track to mirror the week before.

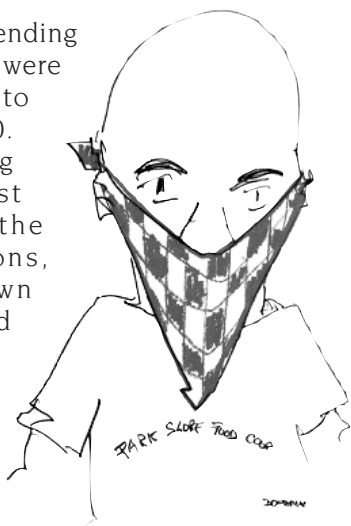


ILLUSTRATION BY JOHN DONOHUE

Conservative Estimates

As the Coop treasurer, it is Holtz' job to play out worst case scenarios. And he has done the math.

"What if this goes until the middle of August?" he asked. "Because no one can tell me that it will not. The governor can't, I can't, no one can."

The Coop has also incurred a new cost: paid hourly workers. As of Sunday, March 29, the Coop had hired 32 paid workers, all recruited from Coop membership and paid minimum wage. Holtz said he anticipated another 10 to 15 workers hired by April 5.

By Holtz' calculations, if sales remain at current levels, by mid-August the Coop's bank balance could go down by \$2.5 million. That estimate assumes about \$100,000 loss income from lost sales of about \$600,000 in weekly sales plus \$25,000 per week in new paid labor over 20 weeks.

"I'm not saying we stop thinking or that we stop entertaining ideas," said Holtz. "If the current trajectory continues with no fixes, this is the estimate."

"Luckily, the Coop has funds in reserve for just this sort of crisis. Holtz reported that the Coop started fiscal year with \$3.9 million in the bank. Some of the cash is in checking. Some of it is in certificates of deposit that could be cashed.

As one cautionary measure, he has filled out a small business administration loan application and called the Coop's bank to ask for an application for a line of credit.

He also said he was considering restarting the member loan program, which has been dormant for more than a decade. When last activated in the early 2000's, the program allowed members to make loans to the Coop

CONTINUED ON PAGE 2

Pandemic Gives New Meaning to Line Waiting

By Peter Grant

When the pandemic hit and the long lines started forming outside the Coop, I had a disagreement with my wife, Sharon, over whether the store's great food and low prices were worth the wait.

She was right, as usual. The Coop is worth waiting for.

What convinced me was spending an afternoon earlier this month interviewing Coop members as they waited on a line that snaked up Union to Seventh Avenue, along Seventh to President Street and then down President Street about halfway to Sixth Avenue.

As I talked to members—at the appropriate social distance, of course—I also gained a better appreciation of the Coop community and how its depth of character and experience will help us face the challenges ahead.

assume that, however long the line is in a shantytown in Nairobi or Johannesburg, you're going to get food."

Coop member Eugene Rasporskiy lived through the collapse of the Soviet Union before immigrating to the U.S. in 1994. "Believe me, I've been in much longer lines for much simpler products, like just for bread and milk," he said. "The whole production system was broken. The whole country was broken."

Safety First

But why not shop at the nearby Key Food or Whole Foods Market where lines are much shorter or even non-existent at times?

Fabiola Bergi, who was standing on President Street near the end of the Coop line, said she had tried shopping at a neighborhood store in Prospect Park South but didn't feel safe. "There's



PHOTO BY ROD MORRISON

Keeping Things in Perspective

Consider Graeme Simpson, a Park Slope resident who works on global peace and conflict resolution issues in the developing world. Standing on line on Seventh Avenue, still not in sight of the Coop he put the lines outside U.S. stores in perspective.

"For a lot of people in the world, it's not about inconvenience and having to isolate. It's about food security," Simpson said. "You can't

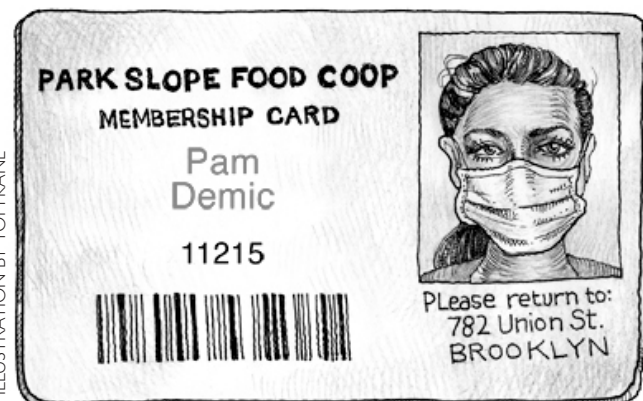
no protection. Everyone is all over the place," she said. "The Coop, when you get in there's hand sanitizers and there are wipes and there are guidelines."

She added: "I would rather wait in line two hours every two weeks than go to my corner supermarket that's taking no measurements to prevent anything. Not for the workers. Not for the shoppers."

Other members shared that view. For example, Bradford

CONTINUED ON PAGE 2

ILLUSTRATION BY TOM KANE



But then things started to shift. The following week the staff reduced store hours and started implementing a stricter limit on how many people could enter the store at a time.

On Sunday, March 22nd, all Coop members received an email informing them not to report to their scheduled work shifts as all member labor has been suspended until further notice.

Financial Squeeze

CONTINUED FROM PAGE 1

to help secure the purchase of the third store front.

"I know that our community of members love the Coop and I know that there will be a way for the Coop to be a vibrant, stable, financially stable organization. I know that," said Holtz.

Lots of Ideas, All with Drawbacks

The main barrier to cash flow has been the small number of shoppers able to enter the store given the current restrictions. Last week the Coop was open for 59.5 hours and conducted a total of 2,908 transactions. By comparison, on the week ending February 23, 2020, the store was open for 100 hours and conducted 17,337 transactions.

These days, the line of members waiting to get into the store routinely wraps around the block with wait times often exceeding two hours.

"The General Coordinators have discussed alternatives to those lines, but we haven't come up with anything that we agree is a better alternative to the system," lamented Holtz, who said the coordinators have been meeting constantly.

One idea they considered was an online appointment system for a pro-

portion of the shoppers allowed in during selected time slots. But online appointments but would mean people who didn't go online to reserve would wait even longer. This concern caused the general coordinators to drop the idea, according to Holtz.

"No idea is terrible in that every idea that I've heard has pros and cons," he said. "There are people who think that we should do online ordering and have it so people can come pick it up or maybe even delivered," Holtz shared. "There are people who think we should do a preset box. There are people who think we could go to that type of system exclusively and shut down the store as we know it. There are people who think we could do both."

The Challenge of Extending Hours

Shorter store hours have also contributed to the drop in sales. It has been frustrating, Holtz said, to figure out how to keep the shelves stocked and store clean without closing earlier and opening later.

"We are taking cleaning extremely seriously," he said. Deep cleaning each evening takes time, as does restocking the shelves each morning.

With no volunteer receiving squads, staff and paid hourly workers have taken over. Fewer people receiv-

ing heavy loads of wholesale groceries has also meant having to slow down the process.

"When we have a member coming in for two-and-a-half hours it's one thing, but it's another thing to lift for 25 or 35 hours every week," Holtz explained. "It's a great system that we developed of sharing that lifting. And ergonomically speaking, it's much safer for employees here."

Keeping Items in Stock

Despite these hurdles, the Coop shelves remain nearly fully stocked. One notable exception is the bread section. Suppliers like Runner and Stone who provide fresh bread and fresh pasta and Colson who supply fresh croissants and other pastries have halted production.

Other than that, stock-outs have been rare. "I think the amazing thing is how much is in stock," said Holtz who noted that the Coop has consistently had toilet paper as stores across the country have struggled to keep it on the shelves.

"It has been hard to keep the 5-pound bags of flour in stock, but if you wanted to bake bread you could get good bread baking flour from the bulk bins," he added.



PHOTO BY ROD MORRISON

As an aside, he also noted some interesting spikes in purchasing. "We were blown away by the amount of cheddar people wanted," he said. Despite the dramatic reduction in shoppers, New York state cheddar sales have increased compared to last year.

Safety First

According to Holtz, the general coordinators are following federal and state safety recommendations and receiving additional counsel from the National Cooperative Grocers advising Coops. "Whatever we do, we're going to do it with our eyes wide open towards safety," said Holtz. ■

Line Waiting

CONTINUED FROM PAGE 1

Davis got in line at 1:15 pm and was near the front at 4:01 pm when I talked to him. We stopped our conversation to listen to a staff member explaining to members who were about to enter the Coop the procedure for sanitizing hands, wiping down carts and maintaining a flow of shoppers through the store.

"I love the way they're taking care of everything," he said. "If you're in Key Food, people are one foot away and they're sneezing and coughing."

Line waiters that afternoon also noted the high quality and relatively low prices at the Coop compared with other area grocery stores. "There are certain products you can get here you can't get anywhere else," said Tina Osterhoudt, who had been waiting for an hour and 20 minutes and still wasn't in site of the Coop.

Osterhoudt said she had checked the Coop site on Instagram before she left on her shopping trip. "I knew what I was in for," she said. "But my cupboards are almost bare."

Applause for the Staff

Throughout the line members applauded the heroic work the staff is doing to keep the Coop going. "We're lucky to have this," said Sarah Gerstanzang, who was waiting with her husband Michael.

Marco Albanese, who lives with his two sons and his wife in Gowanus, had been in line for two hours. "We're part of a cooperative," he said. "We're supporting the Coop."

Members also were understanding of the Coop management's decision to suspend member shifts for the first time in the Coop's 47-year history. Even if members were working, the lines probably wouldn't move faster, noted Bergi.

"It would just be a mad science project for [the staff] to coordinate everybody and check everybody," she said adding: "If this is important to you, you come here and do like everybody else."

Nourishing Each Other

Members also said they were being creative with food to nourish themselves and their families as the city lives through weeks of restricted movement and interaction. "I'm Greek," said Ellen, who was waiting towards the line's end with Tony. "He's learning how to make Greek food."

Anna Bongiorno, who lives in Bay Ridge, said she started ordering market boxes from misfitsmarket.com when she can't make it to the Coop. The subscription service sends customers edible but "a little ugly" that grocery stores would have thrown out, she said.

"The subways are starting to slow down. So worst comes to worst I still have a source of something fresh," Bongiorno said, adding that "my goal if I ever win lotto is to live within a walking perimeter of the Coop."

Bergi said there are "positive things" happening in her household amid the "loss and suffering and pain" caused by the virus. For example, she said she and her 16 year old son are cooking together more.

"There was one night that we were making pizza from scratch at midnight," she recalled.

When I got home later that afternoon, Sharon asked me if I had been able to shop while

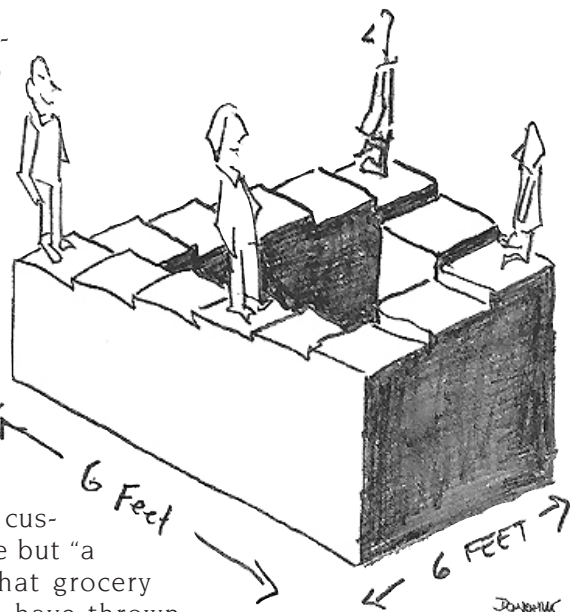


ILLUSTRATION BY JOHN DONOHUE

I was doing my interviews. "I thought you'd get my [organic Canola] oil," she said.

I explained I had spent all my time talking to people waiting outside and never made it in. "I'll go some other day," she said, adding that we also need guacamole which costs "about two dollars more per container" at the Key Food than it does at the Coop.

The next morning she went shopping. The line was even longer than the one I saw, extending all the way down President St. and back along Sixth Ave. towards Union.

Sharon wasn't fazed though. She'll go back again when the larder gets bare. "Next time, I'll bring a lunch," she said. ■



PHOTO BY ROD MORRISON

L E T T E R S T O T H E E D I T O R

CONTROLLING ENTRY TO THE COOP—A WAY THAT IS FAIR AND LEGAL....

TO GAZETTE,

We should not be lining people up on the sidewalk, even if they are 6 feet apart. It is a public health hazard and unfair for members who cannot stand for extended periods of time.

Two recommendations:

1) Have members call in (or go online) and select a shopping time. Each household can shop at the Coop once every two weeks. Members have an hour to shop and must arrive within ten minutes of their scheduled time.

2) Members who want to show up “at large” can sign in with their phone number and get a text when there is room in the Coop. They have ten minutes to get to the door to enter; they also have an hour to shop. Shopping “at large” does not count against a household’s once-every-two-week rule.

That’s it. My daughter said it’s good idea; maybe you’ll even use it?

Robert Berkman

SENIORS

TO WHOM IT MAY CONCERN:

I have many elderly friends, and am myself over 65 years old. During this crisis would it be too complicated to either allow us to shop by going ahead of the long line to get in, or possibly by setting special hours when we could come and thereby avoid the younger, harder population altogether?

Thank you very much for keeping the store stocked, and for your consideration.

Sincerely yours,
Laurie Callahan

I LIVE A BLOCK AWAY

TO GAZETTE,

Though I live only a block away, I haven’t shopped at the Coop for many many days now. It’s been 6 a.m. senior shopping at Union Market for me. There are many things at the Coop that I really can’t get elsewhere, but the long line, snaking up Union, along 7th, and down President, is a sure way to spread the virus. It is

also a threat to other people in the community who have to navigate that sidewalk stretch. Since I am 77 years old, with a heart condition, I have decided not to chance it.

However, I have a thought that might work for the rest of the Coop population.

Set up a schedule that allows members to choose a time slot once every two weeks. It could be done as some kind of Doodle or Evite, so you go online and plug into Shopping, pick, say, Tuesday, March 24, 11:30-



PHOTO BY ROD MORRISON

12:30, get a “ticket” either to print out or show up on your phone. Each slot would be for 1 hour, each slot would accommodate only X number of shoppers in the store at a time, and if you miss your slot, you sign up again.

It would require working out the math. Something like this: 10 slots per day X 14 days = 140 slots. Coop has 17,000 members. Divide 17,000 by 140 = 121 shoppers per slot.

I don’t know how many are currently being allowed in at a time now—121 may be way too many, in which case reduce “tickets” to once a month: 280 slots = roughly 60 shoppers per slot. You get the general idea.

The virus is going to be with us for many months to come. And the quarantine may end for a while, then be reimposed if the virus comes back. If we institute a system along the lines I propose, this would reduce pressure on Coop members and staff alike, and we could all shop quickly and safely.

Martha Cameron

IDEA

TO GAZETTE,

Can we have a loosening of designated non-member shoppers for senior citizens? We are more afraid of contact, some of us have disabilities that allow us to shop normally but we cannot stand on lines for a long time. We are very vulnerable, many have underlying conditions.

Please get this info to the powers that be!

Thank you,
Emily Cohen

SUGGESTION OF CHANGES FOR THE AGING POPULATION

HI,

I wanted to write about this concern to the Coop and do not know whether this is the right email to address it to. Please relay it to the proper department in regards to this matter.

It is already difficult for the group of older adults to shop as is before the COVID-19 and many fear the long line waits and out of stock shelves we are currently experiencing. Some supermarkets are putting in place a time slot for the elderly to do their shopping.

I would like to HIGHLY SUGGEST that the Coop allow an allotted time for the aging population/those at high-risk members to exclusively come to the Coop to do their shopping as this would alleviate their worries and stress and be able to get basic food and necessities to outlast this pandemic.

Please let me know if you have any questions.

Thank you,
Jenny Hong

ENTRANCE POLICY TO PARK SLOPE FOOD COOP,

I am writing this letter because there was no possibility of speaking to anyone in the office on the phone, or directly through email, and I’m not on Twitter.

I am appalled that our Coop has not come up with an entrance policy for the elderly or disabled. There is absolutely no reason why we (the aforementioned) must wait two hours or so to be able to shop. Sitting on a chair by the entrance (with people coming in, passing the chair all the time) is not the answer. If Trader Joe’s, for example, can do it, letting seniors in at the front of the line, so can we. By having no policy, and no expedited entry, you are essentially preventing seniors and the disabled from shopping at the Coop at this time of COVID-19. And these are the people who in general need the fresh food and lower prices the most.

Otherwise, the Coop is doing a fantastic job during this most difficult of times.

Cooperatively,
Eda Malenky

SHOPPING ORGANIZATION EMERGENCY PLAN

TO GAZETTE,

You guys may want to consider staggering entries based on last names. Give the older and more at risk people entry first in the morning. For the rest of the day schedule for example people with last names A-K go shopping Monday, Wednesday, and Friday and last names L-Z go shopping Tuesday, Thursday, Saturday. Sunday’s could rotate. Also stagger the hours, everyone is home. A-C shop for three hours and D-F next three hours, etc....

Just a suggestion. Thanks and stay safe!

Willow Rabinovich

THANK YOU!!!

DEAR COOP TEAM,

I’m writing to extend my immense gratitude for all you have been doing to keep the Coop open, the shelves stocked, and the environment safe, efficient, welcoming and positive. The Coop has been a haven for us during these uncertain days, and I know you have been making significant individual sacrifices and investments. It’s simply amazing—a great testament to community and to the human spirit!

If there is a chance to support remotely, please let me know. Wishing you all wellness and calm.

With thanks,
Laurie Smolenski

WHY SAD?

TO GAZETTE,

Why sad?

Silly to be sad. Stop it!

To save one life is worth all sacrifice.

That is how the crisis is met.

Allen Tobias

TWO-HOUR SHOP

DEAR EDITORS,

I would like to suggest that the Coop consider instituting a system where all members are randomly assigned two two-hour time periods for shopping each month for the duration of the current health crisis. This could solve the problem of people waiting in line for hours as the Coop does its best to keep people from infecting each other. There should be an

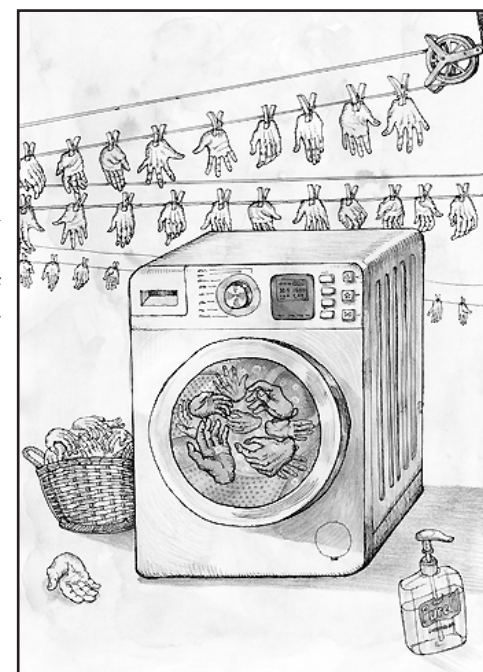


ILLUSTRATION BY TOM KANE

appeals process for people who have verifiable reasons for being unable to shop during their randomly provided windows.

Regina Weiss