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Volume 00, Number 10

June 9, 2020

First Virtual General Meeting Focuses on Struggling Coop Finances

By Leila Darabi

The Coop made history on the evening of May 26, convening the first virtual General Meeting of its membership. No voting took place during the meeting, which focused heavily on the financial blow the Coop has weathered over the past two months due to citywide Covid-19 safety restrictions. More than 750 participants joined the meeting, including the staff and board slated to speak.

Using the virtual conferencing system Zoom, the Chair Committee, Board Members and the General Coordinators moved briskly through reports on the availability of products at the Coop, safety updates to the facility, and a pre-recorded financial update from General Coordinator and Treasurer Joe Holtz, who was on the call to take live questions.

Despite the challenges of the new format, the meeting ran smoothly with only a few of the muting and unmuting challenges now familiar to any member who has pivoted to working from home or helped a child log into a virtual classroom. One member typing in the Zoom question and answer feature declared it “the best-run multiple speaker call” of the pandemic.

Throughout the evening, members typed in questions and comments, many offering praise for the General Coordinators for their work steering the Coop through this transition.

A Message From the Board

The meeting opened with a statement from the board presented by Board Member Imani O’ryn, who cited these “extraordinarily hard times” and shared that the Board had conferred with the Coop’s counsel to confirm that they could legally host a Board Meeting and General Meeting virtually. It was determined that they could.

The Board also discussed potentially raising the markup of goods sold at the Coop by 3%, but determined that to pursue this course they should take this question to the GM for a vote in the future, she said. (Later in the evening when member Paul Hogan asked if the Coop’s finances would look different today if the board had raised markup by 3%, O’ryn responded: “not much.”)

In an emotional update, O’ryn shared that she was “moved being here” and moved by the General Coordinators’ work. The tactics deployed to make the Coop safe for shopping and to keep it open were taken with “our health and our Coop in mind,” she said, asking for “compassion in questions and comments.” It was the only hint

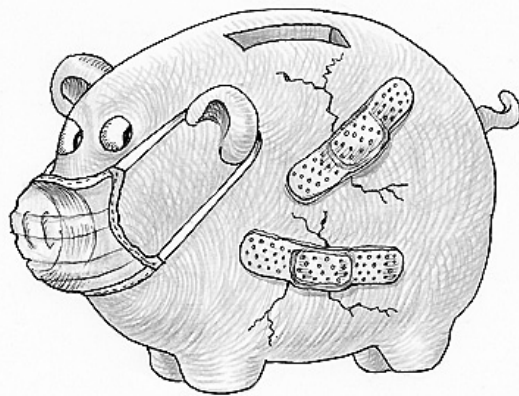


ILLUSTRATION BY TOMMY KANE

over the course of the evening that the board and staff might be braced for member criticism. That criticism never came, with live and typed comments remaining nearly universally positive.

O’ryn closed stating “we love this Coop, and we want it to be here, and I personally want it to be here like it was.”

Following this statement, Board Member Bill Penner, who is up for reelection, briefly introduced himself to those on the call, as is the tradition ahead of board elections. Given the somber times, he opted not to cite his resume but instead echoed the sentiments of gratitude expressed by O’ryn.

Sales Down, Costs Up

Ahead of the GM, members received an email linking to the Treasurer’s preliminary financial update reporting on the 12 weeks ending April 26. Referencing this update, Holtz shared during the meeting that sales are down by about \$410,000, while expenses are up around \$240,000, resulting in a negative swing of around \$650,000. According to the report, average weekly sales through April 26 were \$994,554, down \$145,727 from the same 12-week period last year.

These numbers do not yet reflect the full toll of the Coop’s current reduced capacity, Holtz warned, as this financial report spans a time period that began in February before the store was impacted. All of the reported losses took place in the last five weeks of the financial period, when the Coop reduced hours and capacity.

Federal Loan

As previously shared on the Coop website, Holtz noted that on April 22, the Coop received a Federal Paycheck Protection Program loan of \$1,454,763 from the Small Business Administration. These funds offer some

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Coop’s Meat Supply Chain Stable Despite Rollercoaster

By Hayley Gorenberg

Despite a huge spike in sales in the early days of the pandemic followed by a steep plunge, the Coop’s meat supply has been relatively stable amidst Covid-19, showcasing the resiliency of smaller, more responsible producers and processors.

The stability contrasts sharply with the major disruptions in the more industrial national meat supply chain as several consolidated factory meat processors shut down amid Covid-19 outbreaks among workers.

Volatile Sales

“There might be volatility, but we’re okay,” said Meat Buyer and Receiving Coordinator Margie Lempert, who has been navigating the wild ride with the Coop’s meat producers.

In pre-pandemic times, the Coop each week purchased several tons of chicken and two or two-and-a-half whole steers from Slope Farms and Lancaster Farm Fresh, as well as supplemental cuts amounting to another steer from Hardwick Beef, and additional supplemental ground beef



A few days after the shelter in place order meat sales fell off a cliff.

and other cuts from Thousand Hills. “For a single store, we sell an extraordinary amount of beef!” Lempert said. “But in the weeks leading up to New York’s order to shelter in place, Coop members went on a buying spree and

“overall demand in the store skyrocketed,” Lempert said. “We were almost in holiday mode for three weeks, breaking our sales records week over week. Going into the pandemic, people started shopping in droves, and we were constantly running out of meat, as we were with lots of products.”

Suppliers tried to meet Coop demand, running through some back stock. “Then they literally start running out of animals,” Lempert said. Some suppliers could not keep up with the volume or the Coop’s desired timelines.

Then the shelter in place order went into effect, and “sales fell off a cliff,” Lempert said, “because we were constraining entry into the store, because we had to create a safe space—and because there’s only so much we as paid staff can handle without 14,000 members’ help!”

For a couple of weeks the Coop discounted more meat than

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PHOTOS BY JOHN MIDGLEY

Margie Lempert, the Coop’s Meat Buyer and Receiving Coordinator, has built her career around small livestock farming.

Virtual GM

CONTINUED FROM PAGE 1

relief, he said, but will not make up for continued sales losses. "It is possible [the loan] will be partially or entirely forgiven," Holtz said, "but we don't know that."

He also noted that the Coop had raised \$300,000 in member contributions between April 12 and May 24 following the announcement of a campaign calling on members to increase their buy-in.

"The biggest question is when can we bring back the member labor system, built with love for decades and decades," Holtz said later during the question and answer period, in response to whether these increases would bring the Coop back to normal

sales and profit levels. He also referred members to General Coordinator Ann Herpel's response in the *Gazette* to questions about whether the Coop has considered alternative models such as curbside pickup and delivery.

Member-Owner Equity Campaign

Later in the program, General Coordinator Lisa Moore went into more depth on the equity program, announced the day before on the Coop website and in an email to members. Any member can increase the initial buy in amount they contributed when joining the Coop. These increased investments from members yield four benefits, Moore outlined:

1. Building the Coop's cash reserves
2. Creating a stronger financial position overall
3. Helping pay back any portion of the PPP loan that is not forgiven
4. Strengthening the Coop community

She also noted that while the Coop office has been closed, there is some capacity to reinstate members previously on leave and to review the status of those on alert or on leave.

Keeping Food On the Shelves

General Coordinator Joe Szladek shared a report on the Coop's efforts to keep food in stock.

"We've gotten creative," he said, noting the Coop's buyers have switched to restaurant suppliers in some cases and begun purchasing more from frozen food suppliers to meet increased demand. The Coop has also purchased a large packaging machine in



The Coop bought a machine to repackage items that were previously only available from the bulk bins.



Board member and opening speaker, Imani Q'ryn, highlighted the extraordinary hard times and the superb response mounted by the General Coordinators and staff.

order to pre-package bulk items of rice, beans and flour.

Shoppers may also notice larger sized items available on the shelves to reflect the fact that members are stocking up on items like peanut butter and yogurt.

"People are shopping less often and buying more frozen fruit and vegetables," he said, adding that supermarkets everywhere have had trouble keeping these items in stock.

He noted the Coop is also "buying pallets of flour at a time to always have some on hand" and has paid extra attention to ensuring that toilet paper and paper towels are always in stock.

The Coop's longstanding relationship with suppliers and focus on locally and regionally sourced food has helped. "We buy in volume and we buy consistently," he

said, explaining that farms and food companies prioritize the Coop as a client.

Szladek also said the Coop has been "largely insulated" from the meat shortage caused by meat packing plants shutting down across the country because Coop buyers generally avoid nationwide suppliers.

Revamping the Physical Store

General Coordinator Elinor Astrinsky shared a facilities update on how the Coop has transformed to comply with social distancing and other Covid-19 safety measures. "We revamped the entire front end, eliminated middle checkouts completely and put barriers [between checkout workers and shoppers]," she said.

"The best way to support the Coop is to come back and shop with us," Astrinsky said. "Please come back, please shop with us." ■

LETTER TO THE EDITOR

THANK YOU NOTE

Thanks you guys—board, staff, temporary staff, General Coordinators. Tonight [May 26 General Meeting] was a great meeting that provided us all with the deep reassurance that we are in excellent hands moving forward, whatever happens. How wonderful to get to feel that about something these days.

Take care, continue being safe, and stay well.

Blessings,
Heidi Oleszczuk
A Very Proud Coop Member



ILLUSTRATION BY DEBORAH TINT

Meat Supply Chain

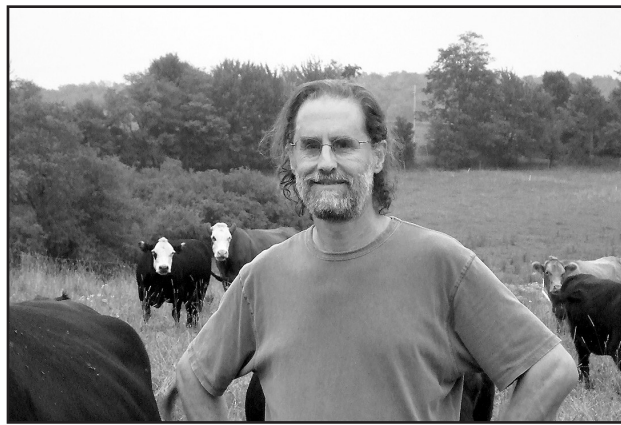
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usual while working to reduce the size of its orders to match the suddenly lower demand. And then Lempert started pulling back orders from suppliers.

Relationships and Timelines

Even as it cut orders, the Coop attempted to preserve its close relationships with suppliers, who risked economic harm from the mid-March pullback. “We buy whole animals from a number of suppliers, and we had to skip some deliveries, asking not to receive steers on certain weeks.”

After nurturing direct relationships with farmers raising steer, pigs and lambs specifically for the Coop, those farmers “might not have a market to move those animals,” Lempert said. “We are a big fish in a small to mid-sized pond, so we have important relationships with those suppliers. They’ve prioritized us as a client. We try to be sensitive, so we don’t stress those farmers so much that we negatively impact their bottom line.”



Ken Jaffe of Slope Farms owns a herd of more than 200 grass-fed cows.

The relatively long timeline for producing meat—as compared to produce—figured into the impact. “Animals take a long time to get to the right weight and condition to be slaughtered,” Lempert said. “With meat, every step along the way is a complicating factor: the lifespan of the animal, going to the processor to be processed—they only have so many slots in a day. And then a side of beef is hung for a few weeks before it’s shipped.”

Lempert said she acted with keen awareness that



Lempert nurtures direct relationships with farmers who raise cows, pigs and lambs directly for the Coop.

the downstream effect of cutting the Coop order could mean the supplier in turn gave up a slot with a meat processor, impinging on that relationship as well.

Avoiding “Big Meat”

The industrial producers’ national, consolidated meat supply chain has proven relatively inflexible, Lempert said. The news has been filled with reports of coronavirus outbreaks among workers in industrial meat-packing facilities and ensuing shutdowns and shortages—not to mention perhaps millions of animals killed after growing too large for processing.

That dynamic is the tradeoff for “efficiency and wealth-accumulation,” Lempert opined. “It’s another way in which we might all feel good about being part of the Coop. The vast majority of meat in this country is processed through just a handful of meat packing houses,” she said. “Little of what we are buying is going through these facilities.”

And unlike those large producers, the Coop’s suppliers have dealt with less severe disruptions due to illness and new safety protocols. “From what I’ve discussed [with Coop meat suppliers], it seems like they’ve done a lot to look out for their workers,” Lempert said. “We might feel effects because they’ve done a good job to keep workers safe—which slows production, with more room for each person to work, safety measures, and not as many workers on the floor processing.”

Smaller suppliers also seem to have insulated the Coop from wild price fluctuations “because of who we buy from and the deals we have.” Purchas-

ing directly from farmers and operating at a different scale, “our pricing has been pretty consistent,” with changes Lempert deemed “normal.”

Lempert, who joined the Coop staff three years ago, has extensive experience with small farming. She started a community-supported agriculture operation in Brooklyn for a livestock farmer from the Hudson Valley, has sold at farmers markets in Brooklyn, worked on a farm, and 15 years after graduating college pursued a graduate degree in sustainable agriculture.

Sales on the Rise

As the Coop has gradually expanded hours this spring and become more efficient (for example, pre-bagging bulk items so members can shop for them faster), more shoppers can come in each day, “so we’re better serving members and the bottom line of the Coop—the two things everybody wants.”

With rising sales and increasing demand, “farmers we ramped down now needed to be ramped up, and that again takes time,” said Lempert. “We’re working to get animals back in place that we’d taken away.”



The Coop’s meat is 100% free from antibiotics and hormones.

Two farmers we purchased whole steers from each week [prior to pandemic restrictions] were alternating. Then we moved to reinstate both, and it took a bit of time to get them back in place,” she said. “That’s true in various ways for other suppliers.”

Predicting buying patterns has grown more complex, as many members have shifted shopping habits to visit only once every two or three weeks, for very large transactions. “It’s a very different type of demand,” she said. ■

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STATEMENT ON THE COOPERATIVE IDENTITY

DEFINITION

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

VALUES

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

PRINCIPLES

The cooperative principles are guidelines by which cooperatives put their values into practice. The International Cooperative Alliance adopted the revised Statement on the Cooperative Identity in 1995.

They are as follows:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community

REFERENCE: ICA.COOP

Sheltering and Schooling in Place—Coop Families Reflect on Remote Learning



PHOTO BY RACHEL BLATT

Imani Larrier is teaching 4th grade remotely while her college-age son studies from home.

By Rachel Blatt

This time last year, Imani Larrier, a longtime Coop member and New York City teacher, was preparing to be an empty nester. “I was getting ready to send my youngest child off to college. I went through that whole emotional roller coaster.” Fast forward to this spring and Imani’s son was back home, attending his college classes remotely while she taught 4th graders from her kitchen.



PHOTO BY RACHEL BLATT

14-year-old Izzy is finishing 9th grade remotely. Her mother, Miriam Fried, bought another laptop to make it work.

“I had waited 17 years for this and I’d always told him, when I send you off to college, I’m anticipating that you’re not coming back. I was very wrong!” she said, laughing.

Imani and her son both got sick with Covid-19 in March but they persevered and recovered. “We went through it. He finished his school work and I still tried to work.”

Managing all that was one

thing, she says, but it’s working as a teacher and managing her 4th grade students that is “emotionally draining, more and more.” Imani says she’s established some routines both for herself and her students to get through the mornings: “I say everyone has to get up out of bed, brush their teeth, wash their face, and we all start the day off with a quart of water.”

New York City schools shifted to remote learning nearly three months ago. With it still unclear how and when schools will reopen come the fall, we talked with several Coop families with kids at home about how they have handled the new realities of sheltering and schooling in place.

On a recent Saturday morning, Miriam Fried was waiting in line to shop at the Coop, accompanied by her 14-year-old daughter Izzy, who is finishing her freshman year of high school from home.

Miriam, a college lecturer, says there was a technological learning curve for them, getting their respective remote teaching and learning setups going. They also had to purchase another laptop to make it work.

“It’s funny that I get texted by her teachers if she accidentally misses a class she is supposed to be in. I sort of wish they would text her instead.” On the bright side, she says, “I do feel like I know more about what’s happening in her classes these days.”

Izzy says that since the

remote school day is shorter than before, she’s been making the most of her new free time by taking long walks, making art and writing.

But she says she misses being able to casually talk to classmates. “One of the things I’ve noticed is that just talking to other people I’d see at school would get me out of my head.”

Member Mary Ellen Obias has been making an effort to supplement her first grader’s remote learning where she can. “My son had gone to a Spanish-language pre-school before his current school and he’d been starting to lose some of that. So that’s something we’re doing with the extra time now. We’ve been playing a lot of Spanish Bingo!”

“His teacher is really doing a lot to make it work, but I do worry about the social piece of it for him,” Mary Ellen says. “One morning he didn’t want to get up because he said he was having a really good dream. When I asked him about it, he said ‘I was at the library my with friends.’”



PHOTO BY HEWITT PRATT

The Pratts, a family of four, went from almost no screen time to too much. Third-grader Oliver, home schooling with his mom Keiko.

Another member on the line that morning, Hewitt Pratt, has a 3rd grader and 6th grader at home. He says it’s been difficult with his kids in two different schools. “One school has been handling the transition to digital pretty well and the other one really is not at all.”

Hewitt says he’s worried about what his older son has lost in the transition to a remote school day. “He had just gotten his own Metro-Card so he could go back and forth to school by himself. It was a big deal. And then suddenly, that new taste of independence was taken away.”

For Hewitt, it’s hard to find a silver lining in the situation.

“With the really sharp transition from almost no screen time and lots of social interaction to the complete inverse, alongside the larger global anxiety right now, it feels like our kids have become part of a longitudinal study and we’re all going to be finding out in the next five to 10 years how they’ve been impacted.”

Imani, the 4th grade teacher, says “there is no doubt that our students are falling behind. And when you have students who also have individualized educational plans and are not receiving the services they’re used to, that’s even worse.”



ILLUSTRATION BY TOMMY KANE

general consciousness, Megan and Shawn have been hearing from lots of friends looking for insight. “Many of our friends are not happy with their online school options and are considering a switch to homeschooling in the fall,” Megan says.

For families now finding themselves playing a larger role in their kids’ day-to-day learning, Shawn emphasizes



PHOTO BY ONSGARD FAMILY

Megan Davidson and Shawn Onsgard have always home schooled their two kids and haven’t felt the same disruption as most families.

But Imani is quick to add that it’s not all bad. “This is clearly showing the haves and have-different. For some children, being in the classroom works, but it’s never been perfect for everyone... I’m glad this has forced the Department of Education to expand on its variety of learning and instruction modalities,” she says.

Members Megan Davidson and Shawn Onsgard have exclusively homeschooled their two kids, one of whom is graduating high school this month and starting at Cornell in the fall and another who is completing the 7th grade. Nonetheless, Megan says “the pause in NYC has been a big shift for us as well, although not nearly as much as for parents who were not already homeschooling.” Up until recently, she says, their older son was regularly outside the home participating in an internship as well as other research projects.

With remote learning and homeschooling more in the

the importance of creating “positive local conditions” in your home. “That means you have a wealth of educational activities available in the home and you have reduced the amount of distractions like video games and TV watching and social media that they have access to,” he says.

“Our kids quickly learned that if they could make the argument that what they were doing was educational, then we were more likely to allow it. This meant they spent more time on creative projects like playing guitar and making sculptures and reading books because they knew these were activities we would approve.”

A good perspective to keep in mind, Shawn says, is that “education is meant to prepare children to be adults.” Thinking of it that way “enables all sorts of ‘educational activities’ like knowing how to make food or handle your own emotions or any number of other practical life skills that are relevant to your family.” ■