

Memories of the Santa Cruz Food Co-op/Community Foods

This reminder of the Santa Cruz Co-op years will bring back memories for some and hopefully remind us all of how lucky we are to live in a town with so many good food stores, who have histories of their own. Our voices may overlap with information, but we give voice to some of those who were there and remember. These memories have been compiled by Allen Bernklau, Bob Intersimone, Alayne Meeks, Kenny Welcher, and Mary Young

Opening thoughts by Alayne Meeks

In 1970, David Meeks wrote an article for the free weekly newspaper *The Free Spaghetti Dinner*, a predecessor of the *Good Times*. David's article wrote of the benefits of the Berkeley Food Co-op whose membership entitled shoppers to receive dividends at the end of the year based on their shopping record. Santa Cruz, according to David, was ready for such a store.

This article drew Bob Intersimone, from Bonny Doon, and Ron and Kelly Barnett, who ran the Dead Cow at the Tannery and who were already discussing creating a buying club, to meet with David at his down shop Custom Alpine Equipment on River St. David and Bob went to a buying club meeting at the Barnett home in Aptos, where the first bags of food were distributed to members. This location was quickly outgrown by the success of the club. Luckily, in back of David's business, there was a warehouse on North Pacific just before the entrance to the Heart of Santa Cruz Mobile Home Park and across from the El Dorado Meat Locker where Lenz Arts now resides. In the warehouse was a surfboard fin shop that rented only part of the building. In the front was an office space with an outside door, a sliding window to an office space inside, and enough room to hold a barrel of honey and bags of dry goods. And the buying club quickly morphed into a Food Co-op.

David and Bob shared duties of the checkbook while volunteers opened and monitored the division of food, but it was becoming more obvious that this was rapidly becoming a full time business needing a consistency of worker. But it was also being run as a co-op where people paid \$5/year to join, and where their purchases were recorded so they could be paid a dividend. We were happy, naïve, struggling, learning, and eating watermelons during the meetings in the Co-op parking lot.

Following is the only newsletter I still have a copy of that was probably written by Bob Intersimone in 1972. It's hard to believe how much happened in the Co-op's first year.

"CO-OP NEWSLETTER

Number One

After the Winter
Solstice, 1972

A Short History of the Co-op

This is our first newsletter, the first of a series which will be appearing monthly (or so). Because many of you will be interested, and in order to give you some perspective, we are going to begin by briefly describing the history of the Co-op.

It began as a buying club, involving 20 or so families. Just as that began to falter, Dave Meeks said that he would take it over. That very same week Bob Intersimone began to organize a co-op, met Dave and some other folks, and we started. We “officially” began on January 1, 1971, so we are just now celebrating our first anniversary.

At first the Co-op was open Saturdays only, but the volume doubled every month, forcing it to be open more and more days each week. We wanted it to be small but it kept growing. Simultaneously, we were selling refundable memberships at \$5.00 each, with the understanding that all money taken in over expenses would be refunded to the members in proportion to the amount of their purchases over a 6 month period.

Growth inevitably brought the need for someone to keep it together--a paid manager, and later, more employees in the form of day managers to oversee individual days. Most of our checking has been done by volunteers, and volunteers have also done some trucking, cleaning, building, etc. The energy, morale, and lowness of food prices at the Co-op are in direct correlation to the amount of volunteer help, particularly in checking. More on this later.

The Great Change.

We heard from some folks who had done another co-op that unless it was legally incorporated and registered with the state Dave and Bob could be in much trouble. The heavy danger: they had signed all the business papers, meaning that they could be termed “partners,” thus causing us technically not to be a co-op.

We found that running the place as a co-op was not enough for the law, while in order to become a legally incorporated co-op one needs \$6,000-\$10,000 in the bank in the form of \$10 memberships in advance of opening, not to mention many other legal and psychic hassles. No one was willing to go through it.

Long discussions at two successive general membership meetings followed, trying to figure out the best alternative. The decision was to become a non profit corporation. Rather than incorporate ourselves, requiring time and money, etc., we affiliated with University Services Agency, an independent non-profit corporation with which the Whole Earth Restaurant and the Switchboard are affiliated. It means that we use their legal identity so that we don't pay taxes while at the same time Dave and Bob are free of personal responsibility.

USA exerts no pressure on us, and in fact there is a clause in our by-laws that we can disaffiliate from them at any time. We have a representative (Bob) on the USA board, and thus have communication with the Whole Earth Restaurant, Switchboard, and other groups which have affiliated.

The Co-op Here and Now

In order to assume the new legal status we must refund all of the \$5.00 memberships and close out the old books. Which brings us to a discussion of the financial condition of the Co-op. A number of membership refunds have already been made--in fact, after “The Big Change” was decided upon, many

were given back quickly, so quickly that our financial scene is turning out to be very tight. Consequently, we cannot give back too many at once. In addition, we will give to each member a 10% dividend on his or her first six months purchases, but as we are not a legal co-op we cannot give further dividends.

Looking at more specific aspects of our financial condition: the report given at the membership meeting before last was based on miscalculations. At that point the Co-op had \$2500 in the bank and an estimated inventory of \$2500. Another inventory just completed shows closer to \$4000 in stock (to cover the increases in sales volume). Simultaneously, the folks in the membership are owed between \$3000 and \$4000 in refunds and dividends. It doesn't take a heavy mind to see that this means that the Co-op is not overly affluent. Two immediate steps seem self-evident: 1) membership refunds can be mailed out only a few at a time; 2) all of you are encouraged to reinvest your refunds in the co-op (perhaps gifts, loans, etc.). The "extra" 10% over expenses (900/mo.) will enable us to return all money owed in about 6 months. After that time there should be a surplus.

We recognize that the technical change from a membership co-op to a non-profit organization has caused some confusion and, in some cases, even some loss of confidence in the Co-op. Folks who didn't make it to the important meetings where those long discussions took place leading up to the change have had to find out what happened by word of mouth, the grapevine, from checkers--often quickly in passing. We regret any negative vibrations coming from this. This kind of communication problem is one of the reasons that this newsletter has been started, and why it is important for the folks to come to the general meetings.

On the current day-by-day basis the Co-op is doing well. There are many new items and the sales volume is up to \$9000 per month. The Co-op is open the most days ever now, too: Tuesday through Saturday of each week.

Volunteers.

As we said earlier, the energy, morale, and lowness of food prices are in direct correlation to the amount of volunteer help. This is a fundamental principle of our Co-op, and is one of the reasons that many of us joined. The Co-op offered another space in our lives in which we could directly participate and have some personal impact on--a space that had the values of a new consciousness. In this case it has to do with the food we eat and the whole atmosphere surrounding obtaining it. The truth is, though, that it has become increasingly difficult to get the volunteers. It is more a complicated and demanding job than it used to be, true, but even so any alert person can handle it. There seems to be an attitude by some: "this place is working fine by itself and it's so big that it doesn't need me." That is not true. We--all of us--are the Co-op, and from us come the volunteers. In the past the volunteer situation has been anarchistic--people coming and helping whenever they had time. Now, however, we also want to go in the direction of regular, reliable volunteers--people who will commit themselves to a regular segment of time each week, from one hour to several hours. Some people are doing this already. Can you? Please come in and sign up at the Co-op.

Board of Directors.

The Co-op must elect a board of directors. They will be selected at the next general meeting, which will be Saturday, Jan. 22, at 3:00 P.M. at the Co-op. It will be a working board and anyone wishing to be a part of it should be sure to be at the next general meeting. General meetings, by the way, will be getting together once a month.

The kind of news you don't like to have to report.

We will end with a brief note on our saddest problem to date. There is evidence that some folks are taking advantage of our trust. Using the term “ripping off” sounds harsh in the context of the Co-op’s atmosphere, but there is evidence...In other words, we are all being hurt financially (and mentally) by a few inconsiderate people. If any of us see this happening we must at least explain that this kind of action hurts us all.”

2023 Co-op memories of Robert (Bob) Intersimone:

The beginning:

As a buying club, several of us took turns driving up to Bay Area wholesale food suppliers, such as Pacific Distributors and Giustos and brought back bags and boxes of dry goods. Then, we would meet on Saturday morning to divide up the bulk foods into our individual orders. We had the use of a small room in a warehouse on North Pacific Street, where we stored the food until it could be divided up and also stored any surplus for future orders.

Organic growth:

We were only intending to have a small group, but it did not take long for the word to spread that some people, us, had found a way to get bulk natural foods at wholesale prices. At that time, the only sources for organic or natural foods for most people were local, high-priced health food stores. I remember one Saturday, after we finished dividing up our orders, we opened the door and there was a small crowd gathered outside. They asked, "Do you have cheap natural foods here? Can we buy some?" Our core group had to retreat into our little room and discuss this and we decided, "Why not?" We could sell our surplus food at 20% over our wholesale cost and the revenue would help pay for our gas going to San Francisco and back. Also, with more people wanting food we could order more types of products. So we decided to open the door to the small group gathered on the sidewalk - not imagining that group would soon grow to be large numbers of people.

The Co-op was not a traditional store "selling" to the public. We were just people buying food together as efficiently as possible. In fact, we did not even have a sign on our building for several months, but our volume doubled every month. As luck would have it, the other tenant of the warehouse moved out and we were able to move back in stages into the warehouse until fairly soon, we occupied the whole space.

Even though this was a lot more work than we anticipated, it was a very exciting time. We listened to requests of what people wanted and people were not hesitant to tell us! So we kept expanding our offerings into more and more lines of food until we had a whole warehouse full of beans, grains, nuts, dried fruit, and all kinds of non-perishable bulk items.

In a way, we were Costco before Costco. We had a no-frills warehouse, and we bought food in the largest bulk we could, big 100 pound bags and 50 pound drums, but with one key difference from Costco as it now exists. The buyers of the food could get as little or as much as they wanted and they still got the advantage of bulk buying without a big markup. The one disadvantage of this set-up was that every single bag needed to be weighed, so check out was a little bit time consuming.

We gradually expanded our hours, and days, from Saturday to Friday and Saturday, to Thursday. Friday, Saturday until it did not take long to be open seven days a week, which allowed us to stock perishable foods and produce.

I managed the operations and Dave Meeks managed the business side. I think I was the first paid employee. As I recall, I got the princely sum of \$200 a month plus all I could eat. I believe Dave Meeks did not take any compensation for his tremendous work managing the business and bookkeeping aspects.

The spirit of service:

This kind of operation could only exist because of the goodwill and labor of our members and contributions of other people in the community. For example, as their contribution to the Co op, John and Nancy Lingemann offered to let me build a small yurt on their property and live there rent free. We had many wonderful volunteers, some of whom went well beyond what they were asked to do. I want to especially mention Bo Forsyth, who took on the responsibility of keeping the warehouse in order. This was a huge task, because as you can imagine, our members constantly spilled beans and grains and fruits and everything else as they were loading up their individual bags. Bo's wife Elissa used to clean the bathroom and leave a fresh bouquet of flowers on the back of the toilet. It was a lot of work and took several people to keep the warehouse clean and organized. When the health department eventually discovered our little, out-of-the-way food business, because of this great work of Bo and the other volunteers, they did not shut us down, but they did require us to start to provide bins instead of just open bags and boxes. These examples of loving service made the Co-op a wonderful experience for everyone in the community.

We gradually expanded our offerings, again with wonderful contributions from the community, People figured out how to rig up a 55 gallon drum with a heater to dispense honey and racks to accommodate oils and all kinds of other creative solutions. We had regular meetings of the membership and had many spirited discussions about what foods to offer. People had strong opinions about this. I remember the people who followed the Arnold Ehret Mucusless Diet wanted to offer only fruits and vegetables and perhaps a few nuts. The macrobiotic people wanted grains and some vegetables - limited fruits. The protein people loudly requested cheese and milk products. We even had a bee pollen guy, who gently suggested that all we needed was bee pollen and a couple of other superfood powders and that's all that would be required for optimum human health.

I remember one meeting in particular, where everyone was having a heated discussion about the various benefits and detriments of these different diets. I looked around and it occurred to me, "You all look pretty healthy. Maybe all of these diets are OK as long as they have natural foods." (Of course, it didn't hurt that almost all the members were in their 20s and 30s.) So, it was decided that we would stock all kinds of plant-based, natural whole foods.

We became a great outlet for all the organic growers in the area. It was wonderful how different local people growing organic food started showing up and we just bought everything they brought in. We made a decision early on to only offer whole natural foods and not get into processed foods, vitamins and other packaged goods that the health food stores needed to sell to survive. So you might say that we were a real Whole Foods store before the stores that now call themselves Whole Foods. This was another contentious issue, because some people really wanted the discounts on

processed foods while other people felt to offer those would be going too far away from our core values. Of course, over time because of member demand, these things were gradually added to the offerings.

Unexpected partners:

Then, more and more creativity expanded out from the Co-op further and further into the Santa Cruz community and beyond. For example, people who lived on an abandoned pear orchard offered pears to us if we could pick them. Those pears had surface imperfections and were deemed not suitable for commercial sales. So, basically the pears were ours for free just to clean up the orchard. We hired a bunch of hippies to pick them for 5 cents a pound and we sold them for 8 cents a pound. Needless to say, that large crop sold out very quickly. Another friend had a grandfather with an apricot orchard right in the middle of what is now a Silicon Valley shopping center, and we got a group together and went over there and picked apricots. The same thing happened with apples and all kinds of other crops.

A man who was very passionate about farming and supporting small farmers suggested he could bring citrus from the Central Valley and almonds and other crops. We were more than happy to have him do that. We were one of the first stores I know of to do farmer-to-consumer with as little middleman cost as possible.

Then, we started to source internationally. One of my friends had a connection in Mexico and decided to import bananas, tomatoes, avocados, and other things. Unfortunately, his old flatbed truck broke down fairly often in the desert on the way home. He would arrive several days late, throw the tarp off of the back of the truck and a cloud of fruit flies would burst into the air from his truckload of mostly rotting fruit. But even he succeeded eventually. One time, when he broke down near the town of Indio, some people who were living at a small abandoned date orchard took him in. They had picked these organic dates and were selling them at a roadside stand. My friend bought up all the dates they had and brought them up to the Co op. Long-story-short, he became the organic date king of Indio and the Coachella Valley, bringing up and wholesaling tons of dates.

Partnering with other businesses:

We also had wonderful cooperation with other businesses just starting in Santa Cruz. Harmony Foods made Mount Kilimanjaro Muesli and also started selling the individual ingredients. They were one of the first ones to put bins of bulk natural foods in markets. We partnered with them to buy food in larger quantities to get greater discounts. We did the same with Staff of Life Bakery, which started out as several people rolling dough by hand - a very small operation - and grew to be a very successful wholesale and retail bakery, and may be one of the last locally owned natural food stores in Santa Cruz County.

We also had informal partnerships with other companies such as Westbrae Market of Berkeley. We cooperated in sourcing cheap or free fruit and they had groups of people, who would dry that fruit and produce other products such as apple juice. A group of our members pointed out that there was quite a population of members up in the Felton/Big Basin area and suggested they open a branch up there. We were happy to accommodate them, order food with them and help make that happen.

Over time, we became one of the biggest sellers of natural foods by volume in the Bay Area. People would come from Mendocino in the north, from Nevada City in the east, from Monterey in the South and lots of other places to buy at our little Co-op. We actually sold food in bulk packaging, such as bulk bags of rice, at 10% over cost. It was a wonderful time providing whole natural foods to the greater community of Northern California.

Outgrowing our "buying club" phase:

As we grew, it became obvious that we were becoming a real business, not just a group of people buying food. We researched becoming an official co-op, which would cost a lot of money and involve a lot of legal paperwork and none of us felt like we wanted to go that route. So, we affiliated with University Services Agency (USA), an umbrella nonprofit organization founded at UCSC. Since Dave Meeks and I were the legal owners, we sold out to the new legal entity for \$1, which I think was a real bargain, and we ceremoniously tore the dollar bill in half each retaining a piece.

Beyond the food store:

Being affiliated with USA gave several people ideas of other things that could be brought under this umbrella. Tom and Patty Dunks merged the Way of Life herb and tea shop with the food Co-op. The Gruver brothers, Tom Robinson, and I started General Hardware and Feed for mail-order hardware, animal feed and gardening supplies in a big old barn down by 41st Avenue, which became a big hit and is still in business today as General Feed and Seed.

The failed greater vision:

All this activity caught the attention of some people affiliated with the Whole Earth Catalog over in Menlo Park. They suggested we form a People's Bank, which would pay no interest to depositors and would use the deposited funds as seed money for more nonprofit businesses, with the eventual goal of making Santa Cruz a nonprofit city. We got immediate pushback from a couple of members of the board of USA. For example, one man, who owned the local for-profit bookshop, was not thrilled with the idea of a new nonprofit bookshop down the street.

We had a meeting and presented the idea to the Co-op population and were surprised at the negative responses we got. We proposed adding something like a 2% surcharge to everything bought at all the nonprofit organizations affiliated with the bank, which would fund the operation of the bank. Our members pretty much overwhelmingly rejected the idea. Some people said it was adding too much unnecessary bureaucracy. Others said that you could not trust anybody who does a bank; other people objected that people from out of town would be in charge, etc.

The number of objections and, from my point of view, the lack of vision, was really disappointing. I believe this was the start of the demise of the Co-op in its early incarnation. Most of the people seemed quite happy to have us work really hard, have volunteers contribute their efforts and provide cheap food, hardware and feed and anything else we could think of, but they were not willing to participate or contribute to the greater vision. That is why the evolution of the Co-op to a worker-owned business was probably the right direction. I must say, I became disillusioned with the community and eventually moved away and started a smaller co-op in Carmel Valley.

The Santa Cruz Food Co-op's founding time was now over and it began a move towards the next phase of its business life.

Once its time at North Pacific was done, and I don't remember why the move was made, the Co-op moved into the old Staff of Life building on Seabright vacated when Staff moved to Water Street. The Seabright Brewery now stands where those buildings once were. The year was around 1974 and the Co-op stayed there until the late '70s when they moved to Commercial Way in back of the old Carhart Rental property.

Santa Cruz Co-op (Community Foods) on Commercial Way by Kenny Welcher

I (Kenny Welcher) began with Community Foods back in the summer of 1978, it was located on Commercial Way then, behind Carhart Rentals. There were three of us "summer interns" from the two University based food co-ops affiliated with USA (another story in and of itself). It was the intention of this program to "educate" us as to the ways of a cooperative food store so that we could return to our respective food co-ops in the fall with a wealth of new and hopefully useful information and know how. While we did, in fact, do just that we also all became quite intrigued and enamored with Community Foods itself as we all continued to work there long after our college days.

I must explain that at this time, USA (University Services Agency) was an "umbrella" 501c3 non-profit corporation for many kindred and disparate businesses and services throughout Santa Cruz at that time. While USA began some years earlier, specifically to allow business not affiliated with the University to operate at the University, Community Foods (then operating in theory as a Co-op) became connected with USA sometime in the early '70s.

By the late '70s, there had been a "revolution" within USA and it was "taken over" by the "workers" of the various affiliates. With a shared idealism tempered with some real world practicality and "workplace democracy," the affiliate representatives would meet at monthly "board meetings" to share stories, questions, and information about their respective businesses.

By this time, Community Foods was no longer a Co-op and had evolved into a "worker owned and run collective," at least that was how it was represented and operated. My introduction to work there was via the "sub list." I was told that you simply put your name and phone number on this list and waited until if/when a "regular worker" needed their shift covered, they would most likely give you a call to see if you could cover it, or sometimes notes were posted on the bulletin board with "available sub shifts" and you could sign up. In this way, you familiarized yourself with the store, jobs, and "collective members." Eventually, and periodically, "regular workers" would give up a shift (or shifts) and post them as "available" for anyone to "sign up" for, after which it was the responsibility of the remaining workers of that particular shift to make their decision as to who they would like to fill the available shift, permanently. Congratulations were in order at that point, as one was now a "regular worker" and "collective member."



By the end of my summer internship, I was a "regular worker" on Friday afternoon, Saturday afternoon, and all day Sunday. Weekend shifts were the least desirable, but as a full time student, they fit my schedule just fine! As a "worker owned and run collective" we (the workers) were responsible for ALL ASPECTS of running and maintaining the store, I say "store" rather than "business" because at that time I'm not so sure we believed nor quite understood that it was a "business." Nonetheless, we "the workers" took responsibility for everything, although some workers assumed more responsibility than others-sometimes by design-sometimes by default. Although I can not recall exactly, I believe that in those days, we had probably somewhere between fifteen to twenty "collective members" and were grossing somewhere in the mid to high six figures, making us, far and away, the largest "affiliate" in USA, both in terms of workers and dollars.

We operated by "consensus," by that we meant that when an item was presented for discussion and/or decision at one of our meetings, it required the support ("consent" or at least, no objection) from all "regular workers" in attendance. We had regular bi-weekly meetings, with posted agendas that anyone could add to throughout the week. Each meeting was chaired by a volunteer from the "collective." Topics of conversation might range from: day end clean-up procedures to new product considerations to wages & benefits-truly all aspects of running the store.

Now I imagine that there are still some out there that remember the building we rented on Commercial Way. To describe it as "funky" would be, even then, quite generous, but it was small and cheap! We knew that on a daily basis we could not stock the store with sufficient inventory to survive the day's demand, and as each day wore on it became a losing battle of attrition with the workers struggling to make it through the day without falling too far behind, eventually to be replenished each morning in order to just do it again, and again, and again. One morning, just before opening, as we frantically struggled to complete stocking, one of us actually fell through the floor (luckily it was only knee deep), yes it was that funky (decrepit). Quickly, with only minutes to

spare before the opening onslaught, we nailed a board over the hole in the floor and proceeded to open on time. Just watch your step. But clearly, it was time to begin our search for a new location. To that end, one of our collective decisions was to keep our wages as low as possible (essentially at minimum wage) in order to build a moving fund for that eventual day.

As previously mentioned, Community Foods was affiliated with USA (University Services Agency). Eventually it provided a clearer legal status and a limit of any personal liabilities and business taxes. But over the years affiliation with USA had come to be seen as some sort of alternative socio-economic model for worker ownership and workplace democracy. "Affiliates" contributed an "affiliate fee" (loosely based on a percentage of their operations and in lieu of actual income taxes) to fund the staffing and overhead of "corporate" USA. As I said before, Community Foods was far and away the largest of these "affiliates" and as such, had the largest "affiliate fee." During these years (into the early '80s) the Community Foods Collective had few issues with this, although support for USA ranged from mild hostility, to benign neglect, to moderate support. However, this all came to an abrupt turnabout one year when the IRS audited USA and determined that while they may be a 501c3 nonprofit corporation, there were nonetheless several "for-profit" businesses (of which Community Foods was one) as a part of USA and they would therefore and in the future be subjected to "unrelated business income taxes" on the "profits" made by the "for-profit" businesses. For Community Foods, this meant in addition to paying our monthly affiliate fee (which we had largely viewed as our alternative to taxes) we now also had to pay real taxes!

To say the least, this did not go over too well with the Community Foods Collective, and the support for USA definitely shifted to a feeling that it was now time for us to "disaffiliate" from USA, incorporate for ourselves, and take responsibility for our legal status and taxes.

Move the store and disaffiliate from USA put us in the midst of two major initiatives at once, but which would come to a head first? Nobody knew, so, a handful of us, working as representatives for the larger collective, pursued both, with the understanding that whichever reached a tipping point first would become the priority with the remaining project taking a back seat.

What came first was a new location at 2724 Soquel Ave, so we put all of our collective resources (energy, attention, and dollars) into remodeling the building, buying and building equipment and moving in. By the early '80s we were located in a newly refurbished building with approximately 2400+sf of retail and 2400+sf of warehousing. The Way of Life, Indian Summer Juice Bar, and Santa Cruz Trucking also joined us in the move; however, their stories and relationships with Community Foods are again, other stories in and of themselves. Throughout the '80s, Community Foods perhaps embodied the earliest definition of "too big to fail" as we were soon grossing over \$2 million a year in our 2400+sf of retail space. It was often joked that we could stock the store over night, open the doors in the morning and just leave a coin box on the counter for shoppers to pay into, rinse and repeat. It seemed that our volume was so great that it often masked our inability to navigate our collective cumbersomeness and run an efficient business.



By the mid '80s, we were running pretty comfortably, at least from a cash flow perspective and thought it was about time to circle back to USA and "disaffiliate." What had begun with a simple handshake among 1972 Santa Cruz idealists was not going to dissolve so easily. Remember how I said we were the largest affiliate with the largest affiliate fee? Remember how I said we decided to put all our collective resources (including dollars) into the move? Well, when we went to the USA board (which was made up of representatives of the various businesses and services), they were quick to see our proposed "disaffiliation" as the loss of their cash cow. While it was the position of the workers at Community Foods that the business was built as a result of their skills, energy, and efforts, and as we had contributed mightily to USA over the years, it was our right and their responsibility to support us in our independence. But that was not how USA came to see it and what resulted was a long acrimonious debate and fight, which in the end cost the workers of Community Foods \$100,000 to buy their way out of USA!

By the mid '80s we successfully incorporated as Community Foods of Santa Cruz, Inc, and we did eventually complete payments to USA for our freedom. We were now truly a worker owned and run business! But where and how that goes into the '90s is a story for someone else to tell as I left Community Foods by 1989.

Mary Young and Allen Bernklau memories as dictated to Alayne Meeks

Community Foods now found itself thriving at the 2724 Soquel Ave location. Times were good. People could work for six months and then be voted, or not voted, into the workers' collective. Allen was voted in by 1984; Mary was already a member by then. There were renovations made and new bins purchased with the old bins given to General Feed and Seed where they are still in use today. Many a gourmet food show was attended with great anticipation of finding the right

ingredients to make it to our shelves. We spent many hard hours planning advertising campaigns while spending endless hours negotiating for the best deals for our customers' benefit. We attended out of town Natural Foods Expo West and the San Francisco Gourmet Food shows. We were leaders in finding new products to enhance our shelves, and others followed suit. Community Foods was a big cheese, yes, we bought enough cheese to be able to sell to others. We had cheese cutting shifts in our cheese room, we bottled our maple syrup that came from Vermont, we found deals on halvah, a sweet sesame treat, that we cut and packed in-house, we supplied bulk oils, vinegar, and soy sauce with a system on tap. Honey and molasses were sold in bulk and people would bring their own jars and fill them. Way of Life was in a separate building that adjoined the parking lot, Indian Summer Juice Bar, and the Flower Stand were also part of this grouping of businesses, but by then the trucking company had moved on.

Community Foods was also a conduit or diving board for many business success stories in Santa Cruz. Beckmann's Bread bought flour through Community Foods, and we bought his bread. Richard Alfaro started buying flour and ingredients through Community Foods then sold us his bread. Rebecca's Mighty Muffins bought ingredients for her muffins and sold them at Community Foods. These business interactions were always win-win situations. So many small businesses started buying their basic ingredients through Community Foods that eventually we connected them directly to the suppliers. Community Foods was a springboard to help businesses to move forward, just as the Co-op had done so many years before.

Many who had that co-op experience moved on to become masters of their own lives. Some started their own businesses that became hugely successful. We had one former member who became a civil rights attorney. We had bankers, musicians, accountants, and farmers who shared their talents or sold their products and became an intricate part of a much larger picture. Drew and Myra sold baby lettuce to Community Foods that they cleaned and dried in a wringer washing machine in their living room, and they went on to become Natural Selection, one of the biggest companies in the nation. Jeff Larkey was a grower with the Surf Monkey label, but he also started Route 1 Farms on Ocean St Extension and became a nationally recognized label. Some members of the produce department went on to pioneer new successful businesses that promoted organics on a local and national level. Coke farms, Vermont Farms maple syrup, Sciabica olive oil, Glaum eggs, Walls Honey Farm-we sourced so many local items in our search for clean and healthy food items. And Community Foods supported local artists who created advertising for the Sentinel, Good Times, Comic News, radio, and television. The store not only helped the community but the lives of many including workers, suppliers, and customers.

Community Foods continued to discuss, as is the workers' collective way, which items should be sold in the store, and in what direction the store should be headed. A beloved forklift, an Apple computer, and cash registers were added, and more people hired to do all the work. Each person had a specialty such as ordering fresh foods, ordering bulk items, bookkeeping, etc. But at some point the business became top heavy with workers, and it was clear too much money was going out. There were also expenses to maintain the store, periodically updating storage bins or walk-in refrigeration systems. The voting mechanism to allow workers into the collective was felt by some to be political or too personal, although the attempt was always made to ensure a good fit for the business, and those bulk sacks of food were not easy for anyone to lift. By the late '80s there may have been twenty-five to thirty collective workers, and the discussion was brought up that too many

were working for the size of the existing business. Some quit, some took unemployment, so some returned and some did not, and this helped for a time. Even if you'd been a member in the past, if you applied for new member status it needed approval again.

Finally by the early '90s, with ten to twelve members left, the financial situation became a problem again as there were losses from many sources. Some took advantage of the trusting nature of the business. There were even some successful robberies that damaged Community Foods economic situation, and the meetings became more contentious as the needs of the business came up against the will and the financial resources of the workers. Many times the workers couldn't agree on what to buy to move the business into more competitiveness with other natural foods stores. Sometimes topics were just not addressed as they became too emotional, but also with no decisions being made, no forward movement was made for the store. Then the discussion that a larger store was needed became a reality. The reality of capital improvements was ever present, as was the need for a larger space, but which way to go.

There were now only four financially viable workers able to take on a loan for improvements or a larger store. New hires were only interested in having a job, not in taking on the financial and emotional responsibilities of the collective. There was even a lawsuit filed against Community Foods over hiring practices. The lawsuit used Community Foods to bring up issues in the California Supreme Court, so the suit had never really been about the collective and they were exonerated but not before there were legal fees as well as emotional debt. Another difficulty was a buying club that used Community Foods' parking lot to sell goods directly to customers, thus reducing store purchases, and this buying club didn't seem to understand how they were damaging Community Foods. Finally there was another issue that loomed for Community Foods: A new business, Whole Foods, was building a location at the corner of 17th Ave and Soquel Ave, only 2 blocks away, and Whole Foods had a reputation for being very competitive. Suddenly the store and its workers were being bombarded from many sides. There was even a potential buyer who almost took over the business but withdrew at the possible reality of being a Whole Foods competitor. The future seemed to be clear that without heavy investments, and the fact that there was some internal turmoil between workers, the store should not continue. Interestingly, Whole Foods later sold to Staples, which is still at that location, and it took another ten years or more before Whole Foods came to Santa Cruz County.

As was a Co-op ethic, Community Foods thought of the community that had supported them through all these years, and while they could have chosen to just close the doors, cash in any profits and share them amongst themselves, they didn't. Community Foods did not want to hurt customers or vendors, so they sold things off slowly, stopped buying too many perishables or slow moving items, sold their food bins, cold storage refrigerators, hand trucks, anything that kept the store financially viable and paid all their bills while still bringing some bulk items to its customers at good prices. At this point collective workers were not getting paid, but hourly workers were. The Co-op workers did it for the love of the business, their customers, their vendors, and the ethic that they were part of a wonderful history and community, and they would go out of business as respectful of everyone as possible. It was 1994, and it was time for the store to come to an end.

The last day saw India Joze Joe Shultz working his wok magic with the leftovers in the store to feed those who had come to party and to say good bye to a local institution that had served people

for almost twenty-five years. Vendors were invited, customers, anyone who'd been part of the community was welcome. Music was played, tears were shed, good food shared, and the doors were finally closed.

Final Thoughts by Alayne

In reading this and remembering the meetings, all the discussions, it seems that the best part of working with others was also the worst part. Too many differing ideas and the strong opinions of food oriented folks often left hurt feelings, but decisions had to be made if the business were to move forward. Eventually it seems that the cumbersome nature of trying to please everyone caught up with Community Foods and the noble attempt to run a business with as many as twenty-five differing opinions on how to do that aided in ending it. From the times of eating watermelons and having meetings in the back parking lot on North Pacific to the meetings Mary Young hosted at her house, the outcome was the same. You can't please everyone, but the need to make decisions has to happen for the successful life of a business. But when it came time to end, it ended well because the values instilled in its founding were carried throughout the business years even through its highs and lows. And the need for organic and local food was established early on by all the incarnations of this business, and that's a business model that continues to this day and that all members, workers, vendors, and customers of the Co-op and Community Foods should be proud.

