



NEWS RELEASE

CoBank and National Cooperative Bank Donate \$200,000 to the Food Co-op Initiative

Joint contribution will enable development of sustainable, cooperative grocery options in rural communities across the U.S.

DENVER and ARLINGTON (June 25, 2018) — CoBank, a cooperative bank serving agribusinesses, rural infrastructure providers and Farm Credit associations throughout the United States, and the National Cooperative Bank (NCB), a leading provider of financial services to the nation's cooperatives, their members and socially responsible organizations, today made a contribution of \$200,000 to the Food Co-op Initiative (FCI). The donation will support the development of sustainable, cooperative grocery options in rural communities that have lost, or are at risk of losing, their local grocery stores.

Founded in 2005, FCI is a nonprofit organization sponsored by the USDA and other organizations to provide resources for people working to start a retail food co-op that meets the needs of their community. It provides no-cost technical assistance to startup food cooperatives, setting them on the path to success. FCI-assisted co-ops generate an estimated \$35 million in local food purchases each year and have created more than 1,500 jobs. The contributions from CoBank and NCB will enable FCI to increase its outreach and to better support rural communities seeking to establish a local food cooperative.

"Locally owned grocery stores are a mainstay of economic and social activity in rural communities across the United States," said Thomas Halverson, president and CEO of CoBank. "We believe that local food cooperatives are one solution to the growing problem of local grocery store closures, which is being driven by demographic trends and marketplace dynamics in the grocery industry. We're pleased to be partnering with NCB and FCI on this contribution and look forward to seeing positive results from this initiative."

"NCB was created to address the unmet financial needs of cooperatives across the country," says Charles E. Synder, president and CEO, NCB. "We've seen the power of the cooperative business model to positively impact communities of every shape and size -- and rural communities have long been some of the strongest supporters of cooperatively-owned businesses. By partnering with FCI and CoBank, we have the opportunity to address one of the critical issues facing rural America today."

"Rural communities face unique challenges with access to affordable food, whether it's the distance or a complete lack of a grocery store," says Senate Pat Roberts (R-KS). "I am glad to see so many partners in the community invest in local businesses that provide small towns with a strong, economic foundation."

Competition from big-box stores in larger communities and an aging population of owners are just some of issues contributing to rural grocery store losses. In 2016, a study by the University of Minnesota Extension surveyed nearly 280 Minnesota grocery stores. The study found that 63 percent of storeowners did not plan to own their store in 10 years, but few had developed succession plans. Shrinking rural populations are also making an impact. At Kansas State University, research by the Center for Engagement and Community Development has identified nearly 200 rural grocery stores across the state that are serving a local population of less than 2,000 people.

According to FCI, the establishment of community-controlled food co-ops has the potential to address these issues and positively influence rural communities. With support from the CoBank/NCB grant, FCI will expand its outreach programs, providing information, training and technical assistance to rural communities creating new food cooperatives. FCI will also assist these organizations with the formation of new cooperative boards, providing them with education and sharing best practices for long-term success. Over the next four years, the organization will measure its success by:

- Increasing the number of rural food co-op startups
- Decreasing the number of rural grocery closures by promoting their conversion to cooperatives
- Creating and/or preserving jobs in partner communities
- Increasing opportunities for local farmers to develop new markets for their goods

“Food Co-op Initiative is proud to provide exceptional resources – free of charge – for people in the U.S. working to start a retail food co-op that meets the needs of their community,” said Stuart Reid, executive director, FCI. “Thanks to sponsors like CoBank and NCB, new startups can use our materials and reach out to our staff for phone consultations and additional technical help. This assistance, during the early stages of development, is vital to the long-term success of a sustainable cooperative grocery store and we are so pleased to have this opportunity to increase our outreach to rural communities throughout the U.S.”

###

About CoBank

CoBank is a \$133 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 70,000 farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's website at cobank.com.

About National Cooperative Bank

National Cooperative Bank is dedicated to strengthening communities nationwide through the delivery of banking and financial services, complemented by a special focus on cooperative expansion and economic development. NCB provides financial products and services for the nation's cooperatives, their members, and socially responsible organizations. Headquartered in Washington, DC, the Bank has offices in Alaska, California, New York, Ohio and Virginia.

About Food Co-op Initiative

Food Co-op Initiative is a 501c3 nonprofit that provides training, guides, networking, and financial assistance to communities that are organizing new food co-ops across the U.S. FCI is able to provide its services at no cost thanks to program support from a USDA Rural Cooperative Development Grant and major funding from the Blooming Prairie Foundation, National Cooperative Bank, National Co-op Grocers, [CoBank] and the food co-op community.

Contact:

CoBank
Sherry Johnson
Senior Manager, CSR
303-740-6518
sjohnson@cobank.com

National Cooperative Bank
Mary Alex Blanton
SVP, Strategic Marketing
703-302-8876
mblanton@ncb.coop

Food Co-op Initiative
Stuart Reid
Executive Director
507-581-0170
stuart@fci.coop