

Building a Community-Based Food System

Transforming West Oakland: A Case Study Series on Mandela MarketPlace

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Mandela MarketPlace is a nonprofit organization that works in partnership with local residents, family farmers, and community-based businesses to improve health, create wealth, and build assets through cooperative food enterprises in low-income communities.

<http://www.mandelamarketplace.org>

Executive Summary

In just a little over 10 years, Mandela MarketPlace has done what was once thought impossible in the rapidly changing San Francisco Bay Area neighborhood of West Oakland: develop, open, and sustain a community-owned, cooperative grocery store, Mandela Foods Cooperative.

Since its incorporation as a nonprofit organization in 2004, Mandela MarketPlace (MMP) has worked in partnership with local residents, family farmers, and community-based businesses to improve health, create wealth, and build assets in West Oakland and other historically under-resourced Bay Area communities. Now a nationally recognized local nonprofit, its origins emerged from community-driven organizing efforts to bring food security and economic opportunities to low-income residents of color in West Oakland, California. Shaped by an extensive community planning process, MMP's scope of work spans the entire food system, with an emphasis on building cooperative models of ownership:

- **Production:** Relationship building with local farmers and providing financial support and products
- **Distribution:** Incubating businesses, like Mandela Foods Distribution, that link farmers and retailers in Oakland
- **Healthy Food Access and Retail:** Supporting community-owned and local businesses, such as Mandela Foods Cooperative and Healthy Neighborhood Store Alliance members, and organizing weekly community produce stands
- **Community Engagement and Education:** Facilitating youth development and nutrition education programming
- **Business Ownership and Community Capacity Building:** Offering financing support and products, trainings, and other business incubation services to residents and local entrepreneurs

These collective efforts by MMP, its partners, and local residents have helped bring significant economic, health, food system, and social change in the community. MMP's programs have helped increase revenue for businesses and farmers, create new jobs and expand employment opportunities, and improve access to healthy food for hundreds of neighborhood residents and local customers. Among its network of MMP-incubated social enterprises, Mandela Foods Cooperative, with

Over a Decade of Impact: Mandela MarketPlace Highlights

\$4 million

in new revenue generated at Mandela Foods Cooperative, with \$1 million in sales in 2014 alone

26 jobs

created or expanded

640,000 pounds

of local produce linked to food-insecure communities in Oakland

700+ residents

reported improved eating habits due to Mandela MarketPlace enterprises

250 daily shoppers

at Mandela Foods Cooperative



its 2,200-square-foot space in West Oakland, has alone generated more than \$4 million in new revenue for its worker-owners and network of farmers and local food entrepreneurs—with \$1 million in sales recorded in 2014, and growing.

Lessons Learned

What began as an alternative vision of a food system grew into an innovative model that has sparked the interest of communities across the country seeking to replicate the Mandela MarketPlace model. Early organizers and founding collaborative members identified key lessons critical for any community attempting to improve the health and economic landscape of its neighborhood. As West Oakland navigates demographic and economic change, these lessons are even more important to ensure that existing, longtime residents, alongside newer residents, can continue to thrive in their communities.

- **Deep, authentic community engagement is fundamental and necessary at all stages of development.** Investing resources, time, and energy into a deep, intensive community engagement process at the very beginning of development is critical to cement residents' commitment to and support of any enterprise development, such as the cooperative grocery store. Starting with the community, and holding a space for members to design and drive solutions to food and economic insecurity, ensures that strategies are equitable and responsive to existing strengths and assets. Engagement, collective strategic planning, and shared leadership shape the trajectory toward success.
- **Bring the right people and partnerships to the table with aligned goals.** Community residents, organizational partners, and stakeholders each bring extensive experience, expertise, and skills to the table. Although shifts and transitions are normal, aligning goals and resources more effectively is important for moving forward. For example, when cooperative store organizers realized that they needed additional expertise, they brought in partners that contributed relevant technical experience and talent that could help them develop a viable business plan and infrastructure.
- **Steadfast, collaborative, and resilient leadership is critical.** The road from idea to implementation can be challenging, and community and organizational leadership—critical to overcoming obstacles and facilitating a process—cannot be underestimated. Engaging leaders such as community residents, longtime advocates, and others well trusted by community members helps build credibility and experience throughout the development process.

- **Invest early and intentionally in capacity building, training, and leadership development.** Passion, vision, and resources are critical ingredients of success, but ensuring that those involved in the planning and implementation of a vision feel ready and capable to navigate this process takes ongoing curiosity and a willingness to learn. A community-based food system was new to West Oakland, and organizers learned early the importance of not only bringing in outside expertise, but also investing in residents' leadership. Internal capacity building better equips staff to receive and maximize resources when they do come in.
- **Leveraging multiple funding sources is an important strategy for financing equitable community development.** Funding cooperative models can be challenging given the need for both start-up costs and additional investment to grow leadership among worker-owners. Mandela MarketPlace secured funding from a variety of sources, including foundation and public dollars, because it was able to frame a return on investment through two important outcomes: not only would funders be investing in worker training and economic empowerment from a business sense, but they would also help meet a critical need in the community for affordable, healthy food.

MMP is entering an exciting stage of growth. Together with local residents and partners, and now with time-tested infrastructure in place, it is ready to take the next steps needed to fully actualize the vision of shared ownership, resident empowerment, and economic self-sufficiency.

Introduction

In just a little over 10 years, Mandela MarketPlace has done what was once thought impossible in the rapidly changing San Francisco Bay Area neighborhood of West Oakland: develop, open and sustain a community-owned, cooperative grocery store, Mandela Foods Cooperative.

From its beginnings as a resident-driven grassroots effort to bring good food and good jobs to the community, the nationally recognized local nonprofit Mandela MarketPlace (MMP), which emerged from these early organizing efforts, has helped to bring real, tangible changes to residents. Since 2004, MMP has made significant economic, health, food system, and social impacts, including: increased revenue for businesses and farmers, new jobs and expanded employment opportunities, and improved access to healthy food for hundreds of neighborhood residents and local customers. Among its network of MMP-incubated social enterprises is Mandela Foods Cooperative, a 2,200-square-foot cooperative grocery store in West Oakland that alone has generated more than \$4 million in new revenue for its worker-owners and network of farmers and local food entrepreneurs—with \$1 million in sales recorded for 2014, and growing.

This case study represents the first of a three-part series highlighting the ongoing work of Mandela MarketPlace and its partners to build a local food system that prioritizes community ownership. This first case study provides an overview of the organization, offers a historical context of its development, and outlines critical factors that contributed to its existing infrastructure and framework of local ownership. **Part II** of this case study series will take a deeper look at the operations, financing, and overall infrastructure of the Mandela MarketPlace model, including the growth of Mandela Foods Distribution and Mandela Foods Cooperative.

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Cultivating Links across the Food System

At the corner of Mandela Parkway and 7th Street in West Oakland stands the meeting place of an entire local food system. Inside Mandela Foods Cooperative (MFC), the only full-service community-owned grocery store in West Oakland, a team of worker-owners—all local residents of color and representing the diversity of the community—engage with neighborhood customers, ring up purchases at the register, and catalog inventory. Fresh, local produce lines the store's refrigerated shelves, 50 percent of which is sustainably grown by the farmers of color who make up the Mandela Foods Distribution network. An array of local products prepared by budding local food entrepreneurs—from cookies, vegan pesto, coffee, and peach jam, to handmade soap and knitted hats—are displayed in the adjacent dry goods shelves. The delicious smell of Southern cuisine lingers over the lunch-hour crowd at the counter of Zella's Soulful Kitchen, a newly incubated social enterprise started by a community-organizer-turned-food-entrepreneur. If it's a Thursday afternoon, you'll find local residents perusing the weekly produce stand at the West Oakland Health Clinic just down the street, and just a few blocks northeast, you'll find a corner store that, as part of the Healthy Neighborhood Store Alliance, also stocks fresh fruit and vegetables from Mandela Foods Distribution farmers.

The cultivator that links all these “nodes” of the food system—from production to distribution to retail—is Mandela MarketPlace, a nonprofit organization that works in partnership with local residents, family farmers, and community-based businesses to improve health, create wealth, and build assets in West Oakland and other historically under-resourced Bay Area communities. But even before the organization was officially incorporated in 2004, a dedicated group of longtime West Oakland residents, worker-owners, business leaders, and community advocates began to transform a vision into reality. Their ambitious goal: to build a food-secure and community-owned local food system that guarantees residents the right to good food, good jobs, and economic security. And together, over the last 15 years, they have demonstrated what is possible when local residents drive the solutions they want to see in their community and the strategies needed to get there.



More Than a Grocery Store—Growing a Community-Based Food System

Every Tuesday afternoon and Saturday morning, Efren Avalos packs up his refrigerated truck with crates of that week's harvest—organic lettuce, onions, beans, artichokes, herbs, and his famous strawberries—all of which he planted, tended, and

“When one part of the system is uplifted, it uplifts another part.”

—Dana Harvey, Executive Director,
Mandela MarketPlace

harvested. Twice a week, Avalos makes the two-hour journey from Salinas to the Bay Area to set up shop at two Berkeley farmers markets, proudly displaying the fruits of his labor and greeting customers with a smile. “I enjoy what I do. When you have a job and you enjoy it, I can say it's not a job,” he says about his business.

Avalos is a member of Mandela Foods Distribution (MFD), an alternative food hub incubated at Mandela MarketPlace that comprises a network of under-resourced family farmers of color within a 200-mile radius of the Bay Area. Prior to owning and operating his small farm, Avalos spent 13 years picking strawberries for a large agricultural company. After participating in the farmer training program offered by the Agriculture and Land-Based Training Association, he was able to start with a small half-acre plot of land, which has grown to 23.5 acres, and now sells organic, sustainably produced fruits and vegetables. He occasionally sold produce to Mandela MarketPlace for years before formally joining the network, to access MFD loans with more flexible terms and the chance to repay a no-interest loan with crates of his produce.

Building and opening a cooperative grocery store marked a major accomplishment, but for Mandela MarketPlace staff and partners, the work did not stop there. As residents recognized during the strategic planning process, supporting local farmers of color—as well as other small business owners and local entrepreneurs of color—represents an equally important strategy in building a holistic, community-based food system.

Since its incorporation, Mandela MarketPlace has cultivated long-term working relationships with farmers in the Central Coast and Salinas areas and urban farmers of color in the Bay Area. Since 2006, MFD has supported these local farmers by helping them identify and link to potential markets in urban



“My dream is for Mandela and others who buy from me to grow too. Because it wouldn't work if only I grow. If I planted a lot of stuff but don't have any place to sell it, what am I going to do? If I had somebody who's going to buy it, I can plant more for them. If they'll be growing, I'll be growing. It's a connection.”

—Efren Avalos, Owner of Avalos Organic
Farms and MFD member

Bay Area communities. The commitment to working with under-resourced farmers led MFD to offer flexible terms as a consistent buyer, while also providing resources for financing and supporting sustainable or organic farming methods. Leveraging funding from a 2007 California Endowment grant and other investments, Mandela MarketPlace helped MFD obtain a warehouse space, cold storage unit, and cargo van for operations, allowing its network to grow to 18 farmers. Five farms are active members of the network, which means that MFD staff arrange weekly purchases and produce pickups, either at local farmers markets or directly at the farms. From its distribution hub, MFD then prepares fruits and vegetables for resale to Mandela Foods Cooperative, corner stores, produce stands, schools, and other retail markets in Oakland and surrounding cities.

Mandela MarketPlace and the local farmers supported by MFD envision the enterprise growing into a separate, locally owned and operated distribution warehouse, with an expanded network of farmers, urban retailers, and consumers that can better serve limited-resource farmers of color who may be unable to access conventional markets. For farmers like Efren Avalos, the growth of MFD would also mean growth for his own farm through ever-larger orders.



Mandela MarketPlace's Model for a Community-Owned Food System

Along with the growth of the cooperative grocery store and distribution hub, Mandela MarketPlace continues to work with partners to incubate other social enterprises and develop programs that strengthen other key “nodes” of the food system. All components are interconnected and represent a comprehensive framework for growing a cooperative food system model in communities like West Oakland. These additional “nodes” include:

- **Production:** Relationship building with local farmers and providing financial support and products
- **Distribution:** Incubating businesses, like Mandela Foods Distribution, that link farmers and retailers in Oakland
- **Healthy Food Access and Retail:** Supporting businesses, such as MFC and the corner-stores segment of the Healthy Neighborhood Store Alliance, and organizing weekly community produce stands
- **Community Engagement and Education:** Facilitating youth development and nutrition education programming
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MMP programs that create this multi-part food system include:

Healthy Neighborhood Store Alliance

Using a strengths-based approach, residents saw neighborhood corner stores—predominately small family-owned shops—as potential community assets to be harnessed. Since 2003, Mandela MarketPlace has built relationships with corner-store owners to encourage them to sell healthy, fresh food. Over the last few years, staff have worked with six local stores to initially pilot, and then operate, a refined program through the Healthy Neighborhood Store Alliance (HNSA). HNSA works in partnership with participating owners to improve product mix and deliver produce biweekly from MFD farmers, creating more local access points for healthy food, while supporting thriving small businesses.

Community Produce Stands

Since 2005, Mandela MarketPlace weekly market stands at senior centers, health clinics, and residential facilities have been an important resource for food-insecure communities throughout Oakland, and have also provided a steady source of income for MFD network farmers. In fall 2014, Mandela launched a new partnership with Oakland Unified School District to also offer produce stands at select schools.

Youth Development

Mandela's youth programs aim to engage and inspire young local residents to be part of the solutions that transform the health and well-being of their communities. From 2007 to 2013, Mandela MarketPlace facilitated the West Oakland Youth Standing Empowered (WYSE) program, founded by young West Oakland leaders. Built on the values of leadership, community voice, and justice, the program linked youth leaders to a variety of resources to design and implement projects aimed at



improving the environmental and food landscape of their community. With Mandela MarketPlace's guidance, youth have led projects such as Communities of Excellence for Nutrition, Physical Activity and Obesity Prevention (CX3), which captured key community data on health and food access; WYSE Streets, which addressed transportation and neighborhood walkability concerns; and the McClymonds Park improvement project.

Nutrition Education and Other Programming

Since its inception, MMP has engaged residents and partners through regular nutrition education workshops, cooking classes, community outreach events, and other efforts to raise awareness of the importance of healthy food and community resources. Visibility of the organization and trust with community members has been nurtured through regular face-to-face contact at community events, as well as engaging local youth to conduct outreach through the WYSE program.

Financing Support and Products

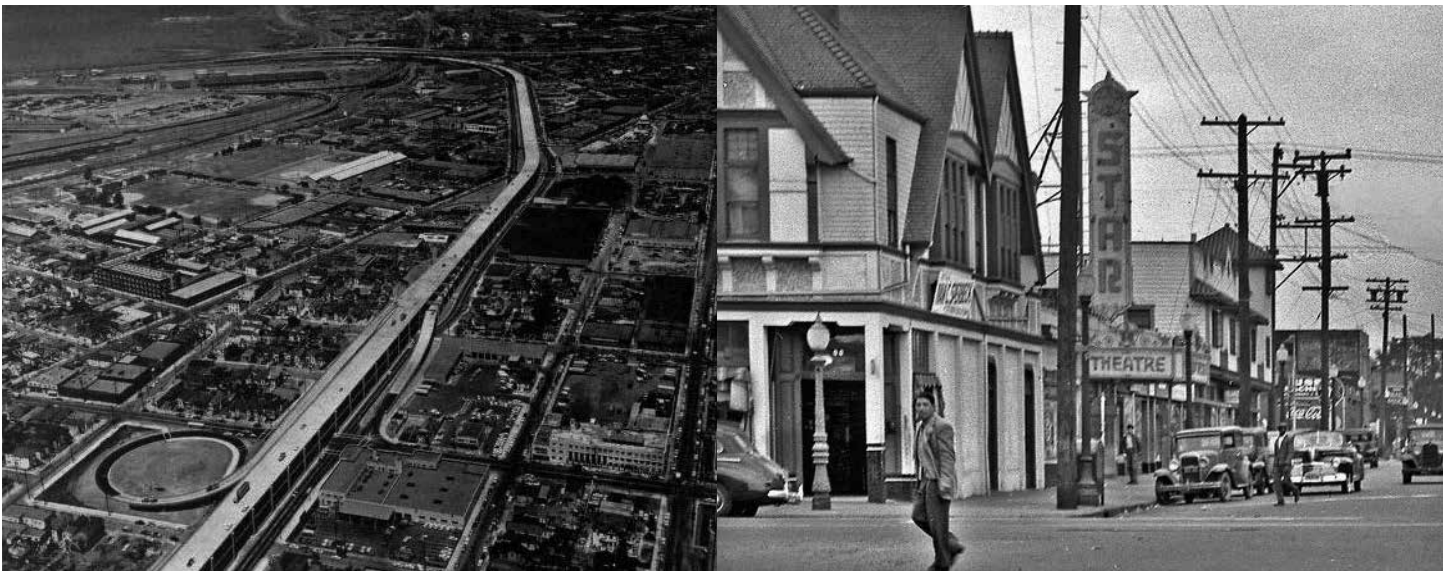
One of the major barriers that low-income entrepreneurs face in starting their own businesses is accessing capital and credit in traditional lending markets. In addition to serving as a financial intermediary to leverage multiple funding sources, Mandela MarketPlace offers resources, technical assistance, training, and low- to no-cost financial tools to grow cooperative local businesses. Through a \$400,000 federal Healthy Food Financing Initiative (HFFI) grant, MMP was able to expand its social enterprise incubation services, including establishing a \$115,000 revolving loan fund for local food enterprises. Mandela Foods Cooperative, Zella's Soulful Kitchen, and Mandela Foods Distribution were key recipients of this loan fund. Additionally, MMP partnered with California nonprofit lender FarmLink to offer an innovative, early-season Harvest to Market loan fund of \$100,000 to small family farmers who are part of the Mandela Foods Distribution network and who are then able to repay MMP with farm-fresh produce. Mandela is also a trustee of Kiva Zip, which offers micro-loans to entrepreneurs, and, as of 2015, a recipient of its first California FreshWorks intermediary loan, which will provide flexible capital to food retailers and distributors, farmers, and local producers to increase access to healthy food in the neighborhood.

Creating a Vision—and a Plan—for a Food-Secure Community

Like other communities that have experienced deindustrialization and disinvestment, the historically African American community of West Oakland and many of its other 25,000 residents face limited access not only to fresh, healthy food but also economic opportunity. Although it is a community with a rich, cultural history and a deep commitment to engagement and activism, West Oakland is considered to have the highest rates of poverty, unemployment, and diet-related chronic disease in Alameda County, as highlighted in the county's [2014 Community Health Status Assessment](#). The neighborhood is located alongside the Port of Oakland and bordered on all four sides by major freeways, leaving residents exposed to both a concentration of environmental hazards and a saturation of fast food chains and liquor outlets. Families without a car rely on borrowed cars, friends, and expensive taxis, or travel up to two hours on multiple buses to purchase fresh fruits and vegetables, given the limited food options available at local corner stores. Once heralded as “West Harlem” and home to over 2,500 thriving Black-owned businesses, West Oakland’s 7th Street corridor, running from Market Street to Pine Street, is still reeling from the effects of the urban renewal programs that transformed the region in the

1950s and 1960s. Development projects, such as the construction of the 880/Cypress Freeway that cut through the 7th Street commercial corridor and residential neighborhoods, devastated local businesses and displaced hundreds of residents.

As the early 1990’s saw the rise of community revitalization projects that aimed to alleviate poverty, West Oakland reemerged as a prime focal point for potential federal and local community redevelopment efforts. Assessments found the community to be significantly underserved in key retail markets, including food and grocery, with the projected population growth of the community intensifying the unmet community need. At the same time, a movement toward community-based participatory research gained momentum, and in 1998, the University of California Cooperative Extension sponsored a food assessment project to evaluate food insecurity in West Oakland. Dana Harvey, a longtime community organizer and then director of the environmental justice organization Environmental Justice Institute (EJI), was recruited to ensure the community was involved in the assessment by reviewing survey materials and training residents as data collectors and key assessment participants. The study findings confirmed what residents already knew: there was a critical need—and demand—for fresh, affordable, healthy food.



“How do you create a food-secure community?”

Local residents had seen too many researchers come and go in their community, with no tangible changes as a result. After the food-assessment results were presented at a community meeting, two mothers and longtime community leaders, Margaret Gordon and Marilyn Mackey, decided that change needed to come from those who knew the community the best: the residents themselves.

Gordon and Mackey enlisted Harvey at EJI to work on a \$19,000 UC Davis planning grant they received, to delve deeper into the food assessment and identify potential partners for action, including local community organizations, churches, leaders, and others who had been part of the process. And so, in 2000, the West Oakland Food Collaborative (WOFC) was born, with EJI serving as the facilitator. The collaborative, originally composed of nine core organizations and a political representative through Alameda County Supervisor Keith Carson’s office, was tasked with building a food-secure West Oakland through community-based, community-identified strategies that could foster opportunities for residents. Early organizational members of WOFC included:

- Environmental Justice Institute
- Mo’ Better Food
- African American Farmers of California
- Oakland Based Urban Gardens (OBUGS)
- People’s Grocery
- City Slicker Farm
- Black Dot Collective
- 7th Street Neighborhood Initiative
- Prescott Joseph Center



“As you begin to think what makes a community, there’s certain kind of institutions [like grocery stores] that are pivotal to that. So we have to ask ourselves, why are we being penalized by not having what everyone has?”

–Thomas Mills, Board President of Mandela MarketPlace

The WOFC formed as part of an extensive, resident-led community planning process to develop and design a comprehensive food system plan for West Oakland to address the root causes of food and economic insecurity in the neighborhood. Throughout that next year, organizers and local residents trained as outreach workers spoke with hundreds of people—at community meetings, town halls, church events, nutrition workshops, focus groups, and in peoples’ homes— all of whom were asked one simple question: “*How do you create a food-secure community?*”



Developing a Community-Driven Food System Plan

The organizers' priority was to ensure that community members established solutions that would not only address food insecurity but also offer creative economic and social development strategies that harnessed existing strengths and capacities of local residents. Ideas from this community engagement process culminated in a charrette—a community-wide voting process—from which emerged a strategic plan driven by resident voices:

- Open a community-owned grocery store
- Support a local farmers market
- Support small businesses and corner stores
- Support local farmers of color
- Have neighborhood green space (farms, gardens, or parks) on every block

This five-part roadmap was comprehensive and transformative; it called for the renovation of an entire local system. Residents recognized how interconnected these linkages were and that if one component grew, others would grow with it. If farmers of color received support to increase production, they could sell more at farmers markets and to small businesses, which could then sell more fresh fruit and vegetables to local consumers and increase their own wages, which would then cycle back to support other community-owned businesses.

“Residents were not just concerned about having healthy food access in their neighborhood. It was also about connecting with farmers who were growing their food, knowing where their food came from, and supporting small food businesses—it was about themselves shaping how food was brought into their community. People in West Oakland were talking about food from a systems-based perspective even before we had a way to describe that academically.”

—Trisha Chakrabarti, Program and Policy Manager at Mandela MarketPlace

For many residents, the existence of a grocery store was what MMP's Board President Thomas Mills described as “a tangible symbol of progress towards becoming a more vibrant community.” This model would fulfill a critical need in terms of access to healthy foods for residents, but also meant investment back into the neighborhood.

Putting “Community” Back into Community Development: From Start to Finish

On April 5, 2003, WOFC celebrated one of its first major milestones with the grand opening of the Mandela Farmers Market. The market was composed primarily of family farms and other small businesses of color and was able to accept Women, Infants, and Children (WIC) vouchers and food stamps. Led by the WOFC partners, Mo’ Better Food and African American Farmers of California, the farmers market represented one of the five components of the strategic plan. The market was also developed to increase awareness about and support for African-American farmers, and issues of land loss for African-American families and communities. Vendors and producers were actively engaged in the governance and direction of the farmers market, paving the way for a model of local ownership and collective governance.

A New Model of Community Ownership

Prior efforts to develop and open a grocery store in West Oakland were met with many logistical and financial challenges. Along the way, those involved in earlier endeavors, such as the perpetually stalled Acorn Plaza development, learned key lessons: 1) community members had to be invested in the idea for it to succeed, and 2) market-based axioms had to be adhered to, such as securing a site that is visible, attractive, and accessible to a broad swath of likely customers; one that is capable of generating consistently high levels of consumer traffic and patronage. In the context of West Oakland, this meant the need for a store that could both offer affordable healthy options to longtime residents and low-income families, as well as meet the preferences of newer residents, many of whom were middle and higher income and actively sought healthy food. Acorn Plaza developers tried twice to bring in out-of-town grocers; both attempts closed soon after opening due to low community patronage. The motivation for resident

“This worker-owner grocery store model had been untested in communities like West Oakland. It helps people begin to think not only about healthy food options, but about ownership options; about the possibilities for people who look like them, are diverse, and are living in the community or near. This is a whole new paradigm that we haven’t seen before. Now local residents might begin to think that this is ‘our’ store.”

–Thomas Mills, Board President of
Mandela MarketPlace



engagement in the planning process was initially to ensure that products offered were responsive to the demand and cultural preferences of the local customer base. Thomas Mills reflected on the experience: “Lesson learned—you really need to get back into community, find out what about that store that will work for them, and what will not work.”

However, the organizers, business leaders, and other stakeholders involved in the WOFC-facilitated planning process went one step further, making sure that residents continued to be at the forefront of not only the creation, but also the growth, ownership, and benefit of potential retail or development opportunities. Together they identified cooperative ownership as the ideal model to align the values and spirit of their vision and drive implementation of the strategic plan.

Compared to traditional for-profit business models, cooperatives are owned, operated, and democratically controlled, ensuring that the benefits of the business are shared equally—cooperatively—among all stakeholders involved. A cooperative business model in West Oakland was especially significant. Longtime residents, who had historically been left out of, or were eventually displaced through, community development projects would now have the chance to benefit from job and wealth creation. Community leaders also recognized that it was important for residents to benefit not merely as consumers and recipients, but rather as active participants—entrepreneurs, worker-owners, small business owners, and employees—in a thriving economy prioritizing community-owned local business. Mariela Cedeño, social enterprise and microfinance director at Mandela MarketPlace described the thinking behind this approach. “The cooperative model makes both logistical and ideological sense. There’s no better model where every worker-owner has equal ownership of the business. If you’re working with residents who are trying

to lift up a business, it's important that people feel it's a shared responsibility. You're all learning together and you all have equal voice in the direction of the business as you grow your own skills as a business owner."

Organizers also knew that food and economic insecurity were strongly interconnected, so cooperative businesses in grocery and food retail would enable them to transform both food and economic landscapes of West Oakland in a way that would ensure that longtime residents and marginalized communities could benefit. Through innovative, food-based cooperative businesses, they could accomplish multiple goals: increase access to both fresh, affordable healthy food and economic opportunities for residents, local entrepreneurs, and farmers of color, and in doing so, strengthen an entire local food system and the linkages between producers, distributors, retailers, and consumers.

Although the Bay Area has long been home to a diverse array of cooperative businesses, building and sustaining a cooperative store in a historically low-income neighborhood, let alone a worker-of-color-owned cooperative business in a market as resource-intensive as grocery retail, had never been done before. With the backing of an entire community, however, organizers did not shy away from the challenge. Rather, they embraced it head-on.

Building Infrastructure and a Plan

Recognizing the need for a financial hub and organizational intermediary to enable resident access to development funding, Dana Harvey worked with the East Bay Community Law Center to initiate the process that officially incorporated Mandela MarketPlace as a 501c3 nonprofit organization in 2004. With this infrastructure in place, the organization and its partners would be able to raise funds and access financial resources. In addition to the fundraising role that Harvey took on, she envisioned the organization serving as a liaison with public agencies and other institutions, and providing space for convening, training, and otherwise resourcing residents and local leaders. The organization's first community board of directors convened, consisting of 10 community residents and professionals engaged in relevant areas of expertise.

"There is a real challenge and opportunity when economic development begins to happen in low-income communities—who will benefit?"

—Amanda Feinstein, Walter and Elise Haas Fund, Program Officer for Early MMP Grant

Around the time of Mandela's incorporation, an important window of opportunity emerged with the proposal of the Mandela Transit Village, a planned 17-acre, mixed-use retail and housing development project located near the West Oakland Bay Area Rapid Transit (BART) station and valued at over \$400 million. The catalyst project of the Transit Village was Mandela Gateway, a 20,000 square-foot mixed-use retail space at the intersection of Mandela Parkway and 7th

Street. Valued at \$50 million, the project was developed by Bridge Housing Corporation using public and private funds, including federal HOPE VI and Low-Income Housing Tax Credits funds.



Community leaders saw this development as a critical opportunity to infuse equity and community ownership into the project, allowing residents to participate in and benefit from the economic growth and wealth generated. With funding support from the Walter & Elise Haas Fund, Alameda County Public Health Department, Nancy Nadel (then City Councilmember), The California Endowment, and U.S. Department of Agriculture (USDA) Community Food Projects, Harvey, Mandela MarketPlace staff, and ongoing community partners and residents undertook a two-year process to design and develop a plan that would transform Mandela Gateway into a hub for community-owned businesses. The anchor of this retail hub would be the cooperative grocery store, Mandela Foods Cooperative.

“When people have democratic voice in a business, this also lends to political voice. When you’ve seen your voice lead to action in terms of business execution, you begin to feel you have economic clout and self-worth to voice your opinion. So when something happens in your community, you feel a sense of ownership over making your voice heard on those issues.”

—Mariela Cedeño, Social Enterprise and Microfinance Director at Mandela MarketPlace

During this planning phase, organizers continued to build the infrastructure needed to launch the retail plan. They commissioned a market analysis of the project’s feasibility and viability, developed a business and financial plan, and facilitated outreach and education about the cooperative model, outlining the ownership and business structure. The market assessment confirmed a need for food and grocery retail, suggesting that any new retail along 7th Street could thrive in conjunction with the new affordable and low-income housing developments. The analyses also identified an untapped source of consumers, composed not only of the neighborhood’s predominately African-American residents, but also commuters using the West Oakland BART station. A grant-funded retail consultant was hired to build out a comprehensive business plan and develop a marketing and distribution plan that identified emerging and potential markets that could better link small farmers with urban retail outlets.

Membership in the main planning group shifted during this time; some organizations transitioned out while new partnerships were formed, but a core group of staff and organizers remained steadfast in its commitment and efforts to bringing the right people to the table. To add further expertise in grocery retail and produce markets, organizers brought in additional community resources, including the East Bay Community Law Center; Puget Sound Cooperatives; Nathan’s Produce; Ali Ar Rasheed, who offered entrepreneurship training; and the Federal Home Loan Bank of San Francisco.

The Final Push to Implementation

With a plan and proposal at hand, organizers worked to address the challenge of negotiations and contracts involved in the final push for implementation. From 2005 to 2007, Mandela MarketPlace built relationships and facilitated ongoing negotiations with Bridge Housing Corporation and the Oakland Housing Authority, navigating complex financial and legal minutiae from establishing lease and tenant agreements to

identifying a rental guarantor from the City of Oakland. During this time, Dana Harvey, Mandela staff, and community partners continued the hard work of raising funds to cover initial start-up costs—an estimated \$500,000 would be needed to buy equipment, initial inventory, and work on tenant improvements. Although organizers originally sought the 10,000-square-

foot anchor retail space at Mandela Gateway, Bridge Housing Corporation offered the lease instead to an outside vendor, a decision that residents strongly rallied against. Despite this major challenge, Mandela MarketPlace and partners continued negotiations, and in July 2007, officially signed a lease for a smaller 2,200-square-foot retail space in Mandela Gateway.



Mandela MarketPlace Timeline—At a Glance

Year	Milestone
1998	Environmental Justice Institute (EJI) works with the University of California Cooperative Extension to conduct the West Oakland Food Assessment.
2000-2002	West Oakland Food Collaborative (WOFC) forms and facilitates community-planning process to address food insecurity in West Oakland.
2003	Community Food Project grant awarded. Mandela Farmers Market launches. Healthy Neighborhood Store Alliance launches.
2004	Mandela MarketPlace (MMP) officially incorporates as a 501c3. Mandela Foods Cooperative (MFC) incorporates as a worker-owned cooperative. Grants from Walter and Elise Haas Fund support business plan development. Market research for cooperative begins.
2005	Negotiations begin with Bridge Housing Corporation to secure market space in Mandela Transit Village. MMP begins to establish relationships with local farmers to distribute their produce to corner markets and produce stands.
2006	MFC worker-owner recruitment and training begins. Initial funding for market build-out secured from Nancy Nadel, the West Oakland Project Advisory Committee, and the Oakland Business Development Center.
2007	Lease signed for 2,200-square-foot space in Mandela Gateway. First store manager hired. MMP receives The California Endowment grant for community outreach, training, and education.
2008	Store build-out begins. Continuing community engagement and outreach.
2009	MFC opens its doors as a full-service worker-owned grocery store in West Oakland. MMP receives second Community Food Projects grant for food access and economic development programs.
2011	MMP receives California Department of Food and Agriculture grant to support local farmers and Mandela Foods Distribution (MFD).
2013	MMP receives federal USDA Healthy Food Financing Initiative grant.
2014	MMP establishes partnership with FarmLink to finance farmer partners and Oakland Unified School District to offer school-based produce stands.
2014	Zella's Soulful Kitchen opens for business inside MFC.
2015	MMP receives two multi-year federal grants, USDA Food Insecurity and Nutrition Incentive and CDC Racial and Ethnic Approaches to Community Health. First intermediary lender for FreshWorks Fund to provide financing to farmers and small retail.

Throughout these challenges, Mandela's dedicated team of staff, residents, and partners exemplified perseverance, never losing sight or clarity of their goal and core values: strengths-based development, equity, resident empowerment, economic justice, and community ownership. With roots planted squarely in relationship building and steadfast leadership, successes soon came in the form of formidable victories. Bridge Housing and Oakland Housing Authority, who owned the title to the retail space, agreed to work with Mandela MarketPlace—after tireless advocacy campaigns and public-meeting testimonies led by residents. The West Oakland Project Area Committee agreed to support Mandela Foods Cooperative's build-out, and secured a commitment from Bridge Housing to lease space to the newly formed Mandela Foods Cooperative. The \$500,000 in capital improvement funding needed to build out the store was secured with the support of U.S. Department of Housing and Urban Development (HUD) funds through a nonprofit developer; Oakland City Councilmember Nancy Nadel; West Oakland Project Advisory Committee, through the City of Oakland Community & Economic Development Agency (CEDA); the Oakland Business Development Center; and Alameda County Public Health Department. Community residents rallied in the final push as

"I love having the opportunity to define what makes me the individual that I am. More times rather than not, the people in West Oakland in general get a bad rep. It's not so often that you hear about other things going on—I wanted to be part of the good things that happen here, that you really don't hear about."

—James Bell, Mandela Foods Cooperative
Worker-Owner

well, demonstrating their investment in the store by participating in a number of community fundraisers. Soon after, the first store manager was hired and construction for the store build-out began in 2008.

Investing in Resident Capacity-Building and Leadership

Throughout this multi-year process, community involvement in planning and development remained high. True to the spirit of community ownership, residents who were not already involved in the planning committee, or serving as board members or organizational partners, continued to participate

in a number of arenas, including outreach and training opportunities. In 2006, Mandela MarketPlace began to reach out to West Oakland residents interested in becoming prospective worker-owners of the cooperative grocery store. Organizers were intentional about creating a training curriculum with a strengths-

based framing that could foster transferrable skills and leadership capacity among residents. Again leveraging critical funding from the Walter and Elise Haas Fund and The California Endowment, staff recruited the help of a local community leader of color, Ali Ar Rasheed, to facilitate the initial eight-week training course with a group of 15 residents interested in



being part of a cooperative business. The goal of the curriculum was not only to introduce participants to the principles, values, and operations of a cooperative business, but also develop entrepreneurship and leadership skills in areas such as customer service, food access, nutrition and physical activity, budgeting, strategic planning, goal setting, and teamwork. In between trainings and other part-time jobs, worker-owners also conducted door-to-door outreach with residents. Former worker-owner Dennis Terry explained, “[For] months in advance, we were going door-to-door in the neighborhood. We went to every residence...to ask what kind of products interested people. It was a way of introducing people that the cooperative was coming, and that they had a chance to give input.” The energy around the forthcoming store’s opening was enthusiastic, and residents were curious about the development under way in the availability of affordable, healthy food.

The collective effort of community-driven strategizing, negotiating, and relationship building paid off. On June 9, 2009, Mandela Foods Cooperative opened its doors as a full-service, community-owned grocery store in West Oakland, with six full-fledged worker-owners ready to get to work.

Growing the Mandela Foods Cooperative Model

Building on a local cooperative model, Mandela Foods Cooperative (MFC) exists as an independent enterprise: a worker-owned grocery store that is operated, centrally governed, and democratically controlled by its worker owners. MFC’s structure and operations are driven not only by cooperative principles but also a strong, community-centered mission. In addition to offering residents access to affordable, locally grown food, MFC partners with local organizations and residents to offer nutrition education and training, as well as pathways to employment and ownership. Co-ownership seats are organized according to core functions; for example, one seat focuses on administration, another on business development, and another on distribution. However, overall business decisions and operations of MFC are made collectively through a democratic process.

Mandela MarketPlace, which has played an important role in growing MFC as a financial intermediary, technical assistance provider, and advisor, also holds one seat of co-ownership as a form of governance. Mariela Cedeño, who directs MMP’s social enterprise development, describes this unique relationship. “Our role is to both develop the business that we incubate and also make sure they are mission aligned. Together we work to ensure the store is both profitable but also sticks to the mission of

Mandela Foods Cooperative Guiding Principles

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Co-Operation among Co-Operatives
- Concern for Community

working with community residents and under-resourced farmers.” This mechanism was established during the business planning phase of the cooperative store development, which enabled MMP staff to stay connected to the daily operations of the store—in fact, MMP staff work alongside worker-owners at MFC once a week, from running the register to stocking produce.

Worker-owners, including the staff member representing MMP’s seat, meet regularly to discuss and make decisions involving daily operations, from new invoicing systems with MFD farmers, to strategies to increase business growth, to nutrition education programming offerings such as the next food demonstration at the store. In order to build capacity among worker-owners who were entering the grocery business, a consultant as well as a store manager was hired to support MFC prior to and after opening. Mandela MarketPlace continues to play an advisory and capacity-building role for MFC worker-owners and employees.

Pathways from Employment to Ownership

All worker-owners hold deep ties to the community; all are former or current residents of West Oakland, and a handful live just around the block from the cop-op. The store offers residents not only opportunities to earn a decent wage and improve the food and economic landscape of their community, but also a pathway from employment to ownership. To transition from an employee to a full-fledged worker-owner, individuals are required to put in 1,000 hours of “sweat equity” at MFC. Afterwards, employees, worker-owners, and the prospective candidate meet together to discuss the candidate’s overall fit for the position, identify areas of growth, and decide on a plan for a 3-6 month trial period. Once a worker-owner candidate meets these goals during the trial period, this group collectively decides the new worker-owner’s financial buy-in or contribution into the business—for example, a new worker owner may agree to contribute a share of \$2,500, either paying the full amount up front or agreeing to have a certain amount deducted from a monthly paycheck.

A business plan is in place to bring on a total of eight worker owners and three employees, with a strong priority on hiring local residents. This has involved extensive community outreach and training sessions for prospective employees and worker-owners. For example, MFC has partnered with the City of Oakland’s Highway to Work program, which offers work apprenticeships to formerly incarcerated youth.



A number of youth through the program have worked at MFC to gain work experience—for many, the first positive work experience they’ve had—and in the summer 2014, MFC officially hired the first youth graduate from the program. Worker-owners are also working towards increasing the wages of all of its four worker owners and two part-time employees. Currently, the starting wage is at \$12.25 per hour, following the City of Oakland’s recently passed minimum wage law, and worker-owners are developing a plan and timeline to gradually increase this amount, as well as offer additional benefits. This investment in local residents, through healthy food access as well as employment and ownership pathways, is long-term in scope and represents a type of innovative community development that embodies authentic community buy-in and capacity building.

Lessons Learned and Moving Forward

In the 10 years since Mandela MarketPlace’s incorporation, and just six years after Mandela Foods Cooperative opened, the team continues to witness and support the hard work of its community, organization, and partners. Although many of the long-term impacts of Mandela’s model of a community-based food system are yet to come, equity impacts have already been documented.

“We have been a catalyst for creating opportunity for people who might not have realized they have this opportunity. Even if we go away, there is a whole network of people who aren’t afraid to take risks, who know they have value in their community, who will advocate for themselves and others.”

–Dana Harvey, Executive Director, Mandela MarketPlace

Mandela MarketPlace Equity Impacts, 2004–2015

<p style="text-align: center;">Economic Impacts</p> <ul style="list-style-type: none"> • \$180,000 in additional revenue to local farmers of color • \$4 million in new revenue generated at Mandela Foods Cooperative; nearly \$1 million in sales in 2014 • 10 residents trained as worker owners • 26 job opportunities supported through network enterprises • \$5 million in federal, public, and foundation dollars leveraged • \$300,000 in loans offered to local farmers and entrepreneurs 	<p style="text-align: center;">Health Impacts</p> <ul style="list-style-type: none"> • 5 neighborhood corner stores selling healthy produce as part of the Healthy Neighborhood Store Alliance • 76% of community shoppers reporting increase in consumption of fruits and vegetables • 700+ residents reporting improved eating habits due to Mandela MarketPlace enterprises • 4 weekly produce stands at senior centers, health clinics, and schools
<p style="text-align: center;">Food System Impacts</p> <ul style="list-style-type: none"> • 640,000 pounds of produce distributed in food-insecure communities in Oakland • 3 independent social enterprises supported through MMP business incubation services and loans (MFC, MFD, and Zella’s Soulful Kitchen café) • 18 under-resourced farmers supported 	<p style="text-align: center;">Community Impacts</p> <ul style="list-style-type: none"> • 250 daily shoppers at Mandela Foods Cooperative • 26 peer educators, 10 youth, and 30 community residents trained on nutrition and food access

Lessons Learned

What began as an alternative vision of a food system grew into an innovative model that has sparked the interest of communities across the country seeking to replicate the Mandela MarketPlace model. Thinking back on their journey, early organizers and founding collaborative members identified key lessons critical for any community attempting to improve the health and economic landscape of their neighborhood. As West Oakland navigates changing demographic and economic change, these lessons are even more important to ensure that existing, longtime residents, alongside newer residents, can continue to thrive in their communities.

- **Deep, authentic community engagement is fundamental and necessary at all stages of development.** Investing resources, time, and energy into a deep, intensive community engagement process at the very beginning was critical to cement residents' commitment to and support of the idea—throughout the development of the grocery store and other enterprises. Starting with the community, and holding a space for members to design and drive solutions to food and economic insecurity, ensured that strategies are equitable and responsive to existing strengths and assets. This pre-development phase—engagement, collective strategic planning, and shared leadership—is a critical period that can aim the trajectory toward success.
- **Bring the right people and partnerships to the table with aligned goals.** The initial group of community residents, organizational partners, and stakeholders each brought extensive experience, expertise, and skills to the table. Together they aligned their goals, visions, and resources more effectively. Sometimes this involved shifts and transitions to make sure there was alignment among partners at the table. For example, when organizers realized that they needed expertise they didn't already have, such as in grocery retail, they brought in consultants and other partners that contributed relevant technical experience and talent to help them develop a viable business plan and infrastructure.

“It's not about me telling people what to do, but organizing them to identify solutions, and then resourcing them to implement and own those solutions. This is what builds a shared relationship, an honorable relationship. That's a key in community organizing—that the community is the ultimate beneficiary. You have to have a shared gain.”

—Dana Harvey, Executive Director, Mandela MarketPlace

- **Steadfast, collaborative, and resilient leadership is critical.** The road from idea to implementation can be challenging, and community and organizational leadership—critical to overcoming obstacles and facilitating a process—cannot be underestimated. Engaging leaders such as community residents, longtime advocates, and others who are well trusted by community members helps build credibility and experience throughout the development process.
- **Invest early and intentionally in capacity building, training, and leadership development.** Passion, vision, and resources are critical ingredients of success, but ensuring that those involved in the planning and implementation of a vision feel ready and capable to navigate this process requires ongoing curiosity and a willingness to learn. A community-based food system was new to West Oakland, and organizers learned early about the importance of not only bringing in outside expertise, but also of investing in residents' leadership opportunities. Internal capacity building better equips staff to receive and maximize resources when they do come in.
- **Leveraging multiple funding sources is a critical strategy to fund equitable community development.** Funding cooperative models can be challenging given the need for both start-up costs and additional investment to grow leadership among worker-owners. Mandela MarketPlace secured funding from a variety of sources, including foundation and public dollars, because it was able to frame a return on investment through two important outcomes; not only would funders be investing in worker training and economic empowerment from a business sense, but they would also help meet a critical need in the community for affordable, healthy food.

Conclusion

From launching farmers markets and local produce stands to developing a worker-owned grocery co-op; from linking local farmers of color through their food distribution hub to incubating local businesses and investing in youth leadership development, Mandela MarketPlace has shown that it is possible to rebuild an entire food system with local residents driving its development, ownership, and sustainability. With time-tested infrastructure in place and an expanded network of innovative enterprises, active community leaders, and committed partners, Mandela MarketPlace is entering an exciting stage of growth. At a time when neighborhood change often leads to resident displacement and greater health and economic inequity, this model of rebuilding a local food system based on community ownership offers a way for historically disinvested communities to weather the wave of change through building—and keeping—health, economic security, and wealth in the community. In only a little over 10 years, Mandela’s network of enterprises, programs, and partners has created important economic and health impacts, from jobs and entrepreneurship opportunities to access to healthy food for local residents. And yet, even with its rapid growth, the organization’s mission remains true to the plan the community laid out nearly fifteen years ago—now members are equipped with the tools and experience to achieve those goals. The work is far from over, but together, they are ready to take the next steps needed to fully actualize the vision of shared ownership, resident empowerment, and economic self-sufficiency.





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