

From: [Root Routledge](#)
To: ["Durango Natural Foods"](#)
Cc: **Durango Community [about 50 addresses from earlier Keep Durango Local effort**

Subject: RE: Regarding La Montanita Co-op merger with DNF
Date: Monday, August 11, 2014 10:08:57 PM

Dear Durango Natural Foods Board,

Let me be the first, evidently, to express my surprise at this announcement (DNF email below) and concern... serious concern. These are quick response comments and I confess I have no knowledge of the analysis that has gone on regarding this merger. But I will say that it is important that you solicit and share comments from all of our members, fully sharing your analysis of issues and why a merger is felt necessary to address them. I do not recall any notice that the board was considering such a radical move; however, I also confess that I have not been actively involved in any of the DNF co-op management, except perhaps for sharing a comment now and then with your front end staff. I do remember speaking with Joshua when he was the DNF manager about the possibility of expanding with a branch store (combined purchasing and distribution synergy) at Twin Buttes, where Gabe Ebbers has a very impressive farm going (as far as I know, he's still running that). Joshua said DNF was looking at that as a very promising development once that community was developed to the point it could support its own DNF Twin Buttes satellite store.

The charm and value to the Durango community of DNF for 40 years (I've been buying at DNF for 20 of those years, and a member as far as I can remember) has been the fact that it is a LOCAL co-op; owned and run by local residents. We don't seem to be 'running it into the ground', and I am concerned that this is the brainstorm dream of someone(s) who is (are) simply enamored with the 'fad' of corporate mergers; sort of a de-facto, "of course it's obviously the right thing to do since everyone is doing it these days". Check out [BALLE, Business Alliance for Local Living Economies](#), for insights about the importance of locally owned and run businesses. Now the DNF Board is talking about: "We're especially excited about the merger with La Montanita because they are experienced with integrating new stores and co-ops into their organization... DNF is stable and as strong as ever, said Wolf [DNF Board Chairman]. However, the increasingly competitive marketplace demand more resources and capitol than necessary in the past for the business to remain healthy over the long term." [this is a BS platitude that doesn't impress me in the least] And, "**A Store Manager will be hired by La Montanita to be responsible for operating the store.**"

So, you can kiss goodbye to local management; we'll now be part of a "corporate" co-op merger, with non-local management. I'll tell you what; I have been a fierce activist to Keep Durango Local, with regard to the invasion and colonization of our economy by outside "big box" stores, taking on the town's administration, local influence leaders, and *The Durango Herald* itself for very shoddy reporting on the underlying issues. I have a PhD in Industrial Engineering and an MBA and teach clients about business analysis. So, please don't think I'm just going to be satisfied with the lofty platitudes you claim in your announcement, 'Well the board looked it all over and we decided this is what's best for our 40 year locally owned and run co-op', with "Arrangements are being made for

staff and members to be integrated into the La Montanita Co-op. Meetings with staff and La Montanita management are planned... details of the [done deal] plan being available to members in a few weeks." And finally this: "All in all, we couldn't be happier, and are looking forward to becoming part of this larger co-op community and enterprise," said Wolf.

I am one member who will want to review all of the analysis and strategic thinking behind this alarming announcement, with the major result that our wonderful and beloved Durango Natural Foods, having been a locally owned and operated and managed for 40 years will *no longer be local!* Simply saying "This transition will be great for our members, customers and staff... Everyone involved [except the members who have not known about it] is in complete alignment on the importance of a commitment to the local community and supporting local suppliers," ***just doesn't cut it for the meaning of LOCAL!***

I'm very concerned that this has been presented as a 'done deal', and now "we're so happy to announce our merger..." Was this discussed openly at the last board meeting? If so, was there an announcement email blast about it and the reasoning behind it? Was anything about it in the *Herald*, which I may have missed as I'm still going through lots of well dated papers and I may have not come across it yet? I could have missed it all; if so, please forward to me the old original announcement messages and point to any articles about it in the newspaper.

Fair notice; you find fierce resistance from me and anyone else I can align with to this move to change DNF from a local co-op owned store by merging it into a "growing conglomerate." Conceivably, I could be convinced it's the right thing to do; but I seriously doubt it as I am very well versed on local versus non-local business ownership and management by people who *actually live in the community*.

The meta-point is to KEEP DURANGO LOCAL—locally owned, locally run, locally managed by people who live in the community; especially its 40-year successful co-op, DURANGO NATURAL FOODS (DNF).

CC: FYI to Durango Herald and please do some serious investigative reporting on this; not a simply "he said – she said" stenographic interview of the Board director and store manager. This DNF email announcement already demonstrates their bias, so we know the slant of what they will say. What are the pressing issues behind it? A corporate growth strategy? Whose idea is that?

CC: Other interest parties and longtime DNF members and supporters; and please share this email with other parties and DNF members.

Sincerely,



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From: DNF Board of Directors [mailto:board@durangonaturalfoods.coop]
Sent: Monday, August 11, 2014 6:37 PM
To: root@alpineanalytics.com
Subject: Regarding La Montañita Co-op merger with DNF

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Board of Directors

The board of the Durango Natural Foods (DNF) is excited to share with its members, staff and community plans to merge DNF with the La Montanita Food Co-op headquartered in Albuquerque.

“Our co-op just turned 40 year old and as we strategically looked forward to envision how our members and community could best be served for the next 40 years, we began conversations with La Montanita Co-op. Joining with them has many advantages as we continue to grow our cooperative economy in Durango and Southwest,” said Geoff Wolf, President of the DNF board.

The co-ops have a signed Letter of Intent and are pursuing next steps with a goal of completing the merger in October. Meetings with co-op staff and members are planned to begin sharing details of the plan. A member vote of the DNF will conclude the process in the fall. DNF is owned by about 1500 members.

The La Montanita Co-op currently operates six stores in Albuquerque, Santa Fe and Gallup, and operates a regional food distribution business specifically

designed to distribute food grown and produced in the southwest. The co-op is owned by 17,000 members in those communities.

"We welcome members of the Durango co-op and look forward to serving the Durango community," said Terry Bowling, General Manager of La Montanita.

"We're especially excited about the merger with La Montanita because they are experienced with integrating new stores and co-ops into their organization - having acquired stores in Santa Fe and Gallup - and because they have played a key role in our own co-op's history. They helped us in big ways during tough times in the past," said Wolf.

DNF is stable and as strong as ever, said Wolf. However, the increasingly competitive marketplace demands more resources and capital than necessary in the past for the business to remain healthy over the long term.

"Special thanks to our great staff for stepping up during the recent period as we began searching for a new General Manager. Everyone, especially co-interim managers Kimberly and Brian, have kept the co-op on solid ground. That's so important during transitions and it's very much appreciated." A Store Manager will be hired by La Montanita to be responsible for operating the store.

Arrangements are being made for staff and members to be integrated into the La Montanita Co-op. Meetings with staff and La Montanita management are planned. Details of the plan will be available in a few weeks for DNF members.

The change will provide increased stability for staff, a desirable wage and benefit package, improved staff training and development and will open up new career opportunities.

"This transition will be great for our members, customers and staff. La Montanita has proven, top level management, runs great stores, and has much better buying power than we'll ever have. This will mean savings for everyone shopping the co-op and will put us in a strong competitive position in the coming decades. Everyone involved is in complete alignment on the importance of a commitment to the local community and supporting local suppliers. To help support the local growers, La Montanita's distribution system is one of the most innovative in the country. All in all, we couldn't be

happier, and are looking forward to becoming part of this larger co-op community and enterprise," said Wolf

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