

Case Study: FoodHub Munich

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Purpose: Bringing producers and consumers closer together through the first cooperatively organised supermarket in Munich

Design Trait: Ownership

Innovative Practice: Cooperative Ownership Design

Key Facts

The *FoodHub* is the first solidarity supermarket in Munich, offering fair, fresh, regional and predominantly organic food in cooperative ownership. Every member is co-helper and co-owner.

Established: 2020

Location: Munich, Germany

Founder: Kristin Mansmann, Quentin Orain and Karl Schweisfurth

Ownership: Registered Cooperative (e.G.)

Legal Form: Registered Cooperative (e.G.)

Members of Cooperative: approx. 2000 (in 2024)

Webpage: <https://foodhub-muenchen.de/>

Purpose, Business Model & Objectives

Purpose: “Bringing producers and consumers closer together through the first cooperatively organised supermarket in Munich”

Vision: “Make social and ecological change suitable for everyday use and as simple as possible”

The *FoodHub München Market e.G.* was established following the “Biodiversity and Natural Beauty” referendum in Bavaria in 2019, driven by the vision of fostering closer connections between producers and consumers. In July 2021, this initiative materialised into a supermarket in Munich, modelled after established cooperative supermarkets such as the Park Slope Food Coop in New York and Coop La Louve in Paris.

Figure 1: Welcome at FoodHub Munich



Source: FoodHub Munich 2021.

The *FoodHub* is collectively owned and managed by its cooperative members, with a small team of employees supporting daily operations. Its mission is to economically promote and support its members while placing a strong emphasis on ecological sustainability and social responsibility. The primary objective of the cooperative is to facilitate social and ecological transformation in a way that integrates seamlessly into daily life while maintaining simplicity. The organisation

is dedicated to exclusively and directly pursuing not-for-profit goals. Its operational model is founded on three core principles: co-ownership, participation, and transparency.

The cooperative envisions creating a viable alternative to the existing German food retail market, which is dominated by four major players – Rewe, Edeka, Lidl, and Aldi – that collectively control over 80% of the market share and largely dictate consumer choices. By redefining traditional notions of ownership, the *FoodHub* empowers its members to actively participate in shaping the food landscape, an influence that is unattainable within the framework of conventional supermarket chains.

Insights into the Cooperative Ownership Design

The ownership base of *FoodHub Munich* is primarily composed of local customers and community members, reflecting the cooperative's strong ties to the local area. This design fosters a sense of shared purpose and mutual benefit among those who directly engage with the cooperative's services. While the focus remains on local engagement, the cooperative's structure allows for potential expansion, including people from surrounding regions or those with a vested interest in the cooperative's mission. This localised ownership model ensures that the cooperative remains grounded in the needs and values of its community, while also allowing for the flexibility to attract new members who share its vision.

The bodies of the cooperative are the Executive Board, the Supervisory Board and the General Meeting. The Executive Board manages the cooperative on its own responsibility and conducts the cooperative's business. It consists of a minimum of three and a maximum of five members with a term of office of three years. Every six months, the Management Board is obliged to report to the Supervisory Board on the general business development, compliance with the promotional purpose, the cooperative's total liabilities and the annual corporate planning. The Supervisory Board also consists of a minimum of three and a maximum of five members, who are elected individually by the General Meeting. Each candidate is elected through a separate election and must receive a simple majority of all valid votes cast to secure a position. The term of office is four years, and the central duty is to monitor the management by the Executive Board and to obtain information on all opportunities for the cooperative.

In the General Meeting, the members exercise their rights in the affairs of the cooperative. Each member has one vote, which may be used at the annual ordinary general meeting within the first nine months after the end of the financial year or in the course of extraordinary general meetings.

The ownership structure of the cooperative is designed to balance individual freedom with collective stability. Each individual is allowed to sell their shares or

cancel their membership. The cooperative is not seen as a compulsory community and should not be treated as one. However, there is a 2-year notice period, so that the cooperative is not endangered by the possibility of too many people cancelling their memberships at once. With the 2-year notice, they get the chance to find new members to replace the ones that cancelled their membership.

How Cooperative Ownership Design Enables Regenerative and Distributive Dynamics

The cooperative ownership design of the *FoodHub Munich* enables regenerative and distributive dynamics through three main aspects:

Co-Ownership

Individuals, partnerships, and legal entities under private and public law are eligible to become members of the cooperative by signing a membership declaration and obtaining approval from the board. Membership requires a one-time fee of €180, although a reduced social rate of €36 is available for students and individuals with lower incomes, granting them co-entrepreneurial status within the organisation.

Figure 2: Interior View – FoodHub Munich



Source: FoodHub Munich 2021a.

The cooperative's legal structure embodies a model in which a broad collective can jointly operate a business. This framework is governed by clear, legally defined

regulations on organisational processes, while ensuring that the ownership of the enterprise ultimately resides with its customers.

By becoming a member of the cooperative, you assume the role of a co-entrepreneur. Additionally, if you wish to purchase groceries from the supermarket, there is an obligation to contribute three hours of work per month. This principle emphasises that, in addition to shared ownership, every member contributes their time. The underlying idea is that part of the cost is offset through this cooperative effort, resulting in food prices that are approximately 20% lower than in organic markets or the same products in traditional supermarkets.

Participation in the Decision-Making

The *FoodHub* offers two levels of participation for its members. The first level is standard for cooperative structures. Once a year, the general meeting convenes to inform members about the outcomes of the previous year and to make decisions, including the election of the Supervisory Board. The Supervisory Board, in turn, elects the Executive Board. The general meeting also provides members with opportunities to propose motions or amend the articles of association, among other governance-related matters. In this regard, the general meeting serves as the official governing body, or the “sovereign”.

In addition to this formal governance structure, the *FoodHub* has implemented several participatory mechanisms. One key instrument is the opportunity for members to influence product selection and participate in the daily operations of the cooperative. For example, the “wish book” allows members to suggest products they would like to see in the store. This process ensures that decisions regarding the product range are not made solely by the board, but that each member has a voice. Whether the desired products remain in the range depends on ongoing demand, reflecting a dynamic and member-driven approach to inventory management.

The *FoodHub* also fosters active member participation through various working groups covering areas such as product selection, communication, events, and IT. Members volunteer in these groups, and an instrument has been created to elect two or three members from each working group. These representatives meet once a month in the “Speaker Circle,” where they can present their questions. These working groups provide members with a platform to engage directly with the cooperative’s processes and decision-making.

One example of such a discussion was whether the cooperative should exclusively offer organic products or establish specific criteria for selecting non-organic items. Another debate focused on the direction of the *FoodHub*’s communication strategy: Should the emphasis be on price, or should it prioritise the quality and regionality of the products? These discussions reflect the cooperative’s commitment to incorporating its members’ perspectives into its operations and values.

Participation in the working groups varies. For example, the product range working group has around 40 participants, though not all of them attend every meeting. On average, about ten people join each meeting. There are also several communication tasks that need attention, which is why there are quite a few members in that group as well. The *FoodHub* is active on social media, handles press work, and prints flyers, all of which require design and coordination.

“But as I said, sometimes they are there and sometimes they are not. So, on average, there are maybe 5 to 10 active members per working group, but there are more in total. It changes from time to time, sometimes someone leaves and then someone else comes back and so on, that's how it goes for people. Sometimes you have more time and sometimes less.” – Karl Schweisfurth, Co-Founder

Within this framework of working groups, fundamental questions are discussed, while always considering economic indicators.

Transparency

Another advantage of the cooperative structure is the high level of transparency. In addition to the legally required annual general meeting, the *FoodHub* organises other events at shorter intervals to keep its members informed and up to date.

A key aspect of this transparency is the clear pricing in the market. A standard 30% markup is applied to every product, ensuring that prices are always transparent to members when shopping. This approach also counters the issue of price dumping, which is commonly practiced in many traditional supermarkets.

The *FoodHub* distinguishes itself from traditional supermarkets, where industrial products are typically prioritised due to their low mark-up, with the aim of offering them at the lowest possible price. In contrast, regional or organic products often carry a much higher mark-up in traditional supermarkets, which is where they generate their profits. The *FoodHub*, however, applies the same pricing structure to all products, meaning that particularly high-quality items are offered at more affordable prices. This approach aligns with the philosophy of the Slow Food Coop, one of *FoodHub*'s role models from New York, which refers to such products as “Good Food.” The goal is not to provide cheap industrially produced goods but rather to make high-quality products from regional, organic agriculture and artisanal production accessible and affordable. The pricing policy is determined by the farmer, who independently sets the prices for their products. This approach is highly distinctive, as it shifts the responsibility of pricing from centralised market forces to individual producers. By directly engaging in pricing decisions, farmers must consider both the purchasing power of consumers and market demand, fostering a more dynamic and responsive pricing model. This model not only empowers farmers but

also encourages a closer connection between producers and consumers, potentially leading to greater transparency and trust within the marketplace.

The *FoodHub* typically does not engage in price negotiations but instead adds a standard 30% mark-up. From there, it is up to the supplier – whether a farmer, baker, or other producer – to determine if the product sells or if the price-to-performance ratio needs adjustment. The *FoodHub* provides feedback to farmers about how their products are perceived and sold, allowing them to assess whether the pricing is justified or if changes are necessary. However, the final decision always rests with the farmer. Essentially, the *FoodHub* serves as a platform for selling products and facilitates market access for the farmers.

Challenges Arising from Designing Cooperative Ownership

Scepticism Towards Memberships

A core challenge for businesses based on membership models, like the *FoodHub*, is that people often hesitate to become members before they can start shopping, as opposed to traditional supermarkets. The primary barrier is not the membership fee itself but rather a general reluctance to commit to membership, combined with the initial deterrent effect of the required working hours.

This can sometimes pose an obstacle, as customers cannot simply shop – they must first become members and contribute their working hours. However, the *FoodHub* has established flexible regulations to accommodate exceptions. For instance, members over the age of 70 are not required to work, and single parents are exempt from working during the first few years. Additionally, parents with children can still shop without working if needed. The cooperative is generally willing to find arrangements for those who truly cannot manage the required work hours. While not everyone can be exempted from working, the *FoodHub* is committed to finding solutions for cases of genuine hardship.

Membership Fluctuation

Another challenge in member acquisition is member fluctuation. As people move away or relocate, they may no longer have the time or ability to shop and work in the store, even if they remain official members. As a result, many members transition from active to inactive status. While many continue their membership to support the cooperative's mission, they no longer have the capacity to actively participate or contribute to the day-to-day operations. This ongoing need to recruit new members can be extremely time-consuming and resource intensive.

To attract new members, the *FoodHub* implements a multifaceted outreach strategy, including in-person events such as open days, where visitors can explore the cooperative, make purchases, and gain a deeper understanding of its operations. Additionally, regular virtual information sessions and an active presence on social media platforms enhance engagement with potential members. Press coverage further contributes to public awareness, with notable publications just as the *Süddeutsche Zeitung* and *Bayerischer Rundfunk* reporting on the *FoodHub*'s milestones. Both outlets are among the most prominent media sources in Germany, with the *Süddeutsche Zeitung* being one of the country's leading newspapers and *Bayerischer Rundfunk* serving as a major regional public broadcaster. Their coverage lends credibility and visibility to the *FoodHub*, reaching both local and national audiences.

However, the most effective method for gaining new members is through word of mouth. The key is to maintain a positive image, foster a good atmosphere, and ensure that people enjoy their experience – this, in turn, encourages them to spread the word. As Karl Schweisfurth emphasises, “the whole thing has to be fun.”

Lowering Barriers to Membership: Addressing Time and Energy Constraints

After the initial excitement and positive response following the opening of the *FoodHub*, the cooperative now faces the challenge of transitioning from novelty to the realities of everyday operations. In order to remain functional and sustainable, the initial enthusiasm and popularity must be transformed into a long-term, viable structure.

The current geopolitical climate, marked by crises and states of emergency, also plays a significant role. It not only shapes the work of organisations but also influences the daily lives of many individuals. This situation can be advantageous for organisations that are pursuing new and innovative concepts, as there is increasing societal demand for such approaches. However, many people are becoming more anxious and often lack the mental space to engage with new models and ideas. To truly understand these concepts, individuals need time and energy to familiarise themselves with them, as these models are not yet commonplace.

Interactions with Other Design Traits

Network Design

The cooperative form and business model make *FoodHub Munich* naturally a part of a broader community and movement of similar cooperatives based in other cities. The networks with which these interactions are formed can be divided into two categories.

First, there are supermarkets with similar concepts already established in other cities, whose expertise the *FoodHub Munich* can now leverage. The cooperative is transparent about its influences, acknowledging that it has drawn inspiration from successful models:

“Yes, it’s not our idea, we stole the idea. We do it just like them because they are successful. And all these basic principles have been adopted, we didn’t invent them.” – Karl Schweisfurth

FoodHub Munich, in particular, collaborated closely with LaLouve, a food cooperative in Paris, receiving significant support from the founders and employees there in setting up and founding the cooperative. Building on this, *FoodHub Munich* now also plays an advisory role as efforts are underway in other German cities to establish similar cooperatives.

Second, there are strong connections with suppliers and other parts of the supply chain. The relationship with farmers and food producers is crucial, as they not only supply products but also provide support in a collaborative sense:

“The suppliers, the farmers and food producers are important. Yes, they are also supporters in a certain sense, who sometimes help you. So, you help each other. They sometimes offer cheaper products, and we also make sure that we sell the products that they might be selling badly, that we promote them.” – Karl Schweisfurth

The cooperative structure of the *FoodHub* enables its members to respond flexibly and individually to different business relationships, allowing for temporary adaptations when necessary. These partnerships are grounded in shared values, fostering creative freedom and mutual support.

Recommendations for Establishing a Cooperative Ownership Design

Build Strong Community Ties through Deep Partnerships

Relationships and networks play a crucial role in the success of *FoodHub Munich*. Community building is central to the cooperative’s operations, as it forms the foundation upon which all other steps are built. This includes not only addressing practical matters such as selecting a suitable location for the store, defining the articles of association, and identifying cooperating farmers, but also ensuring that a strong community of members is formed. These members, who share the values and goals

of the cooperative, are essential to its success, as turnover directly depends on the number of members, and vice versa.

Equally important is the exchange between organisations that pursue similar ideas, processes, and values. This networking allows *FoodHub Munich* to share its knowledge and experience with others, as well as to receive support and advice from like-minded initiatives. The cooperative frequently advises and collaborates with other initiatives that are working toward similar goals.

In addition to relationships within the cooperative and its network, it is crucial to maintain strong connections with local organisations, including NGOs. Networking with these groups is vital to establishing a supportive community and ensuring that the cooperative is recommended to others. Moreover, maintaining contact with local authorities, such as the city of Munich, is key to gaining support. However, the willingness of local authorities to support alternative economic models can vary greatly depending on the city and the individuals in positions of power. For instance, while Berlin has provided substantial support for similar initiatives, the support in Munich has been less forthcoming.

Suppliers, particularly farmers and food producers, are also an important part of the *FoodHub's* ecosystem. They are not only critical suppliers of goods but also play a supportive role in the cooperative's success. There is a mutual exchange of support, where suppliers may offer discounted products, and the *FoodHub* ensures that these products, which might not be selling well, are promoted effectively. *FoodHub* works with about 70 to 80 direct suppliers, while the remaining products come from wholesalers and smaller suppliers. This network of suppliers is essential for the cooperative's ability to offer diverse and high-quality products to its members.

Ensure Entrepreneurial Courage and Leadership to Drive Success

Another key factor contributing to the success of *FoodHub Munich* is entrepreneurial courage. For a cooperative to thrive, there needs to be at least one individual whose vision inspires others to join the initiative. This individual acts as a driving force, demonstrating the entrepreneurial courage necessary to turn an idea into reality. While the concept itself may be compelling, the success of the *FoodHub* ultimately depends on the people behind it—those who are willing to take the initiative, make decisions, and adopt an entrepreneurial approach to managing the cooperative.

This entrepreneurial spirit not only allows for the implementation of the concept but also attracts and motivates others. By demonstrating a clear vision and the drive to bring about change, those involved in the cooperative can engage potential new members and supporters, fostering growth and expanding the cooperative's reach. Thus, the combination of entrepreneurial thinking and the ability to inspire others plays a central role in the *FoodHub's* ability to succeed and evolve.

Cultivate Enjoyment to Strengthen Engagement

Despite the ideological principles and values that drive the cooperative, it is ultimately essential that everyone involved enjoys the process. This enjoyment is crucial for the success and sustainability of the initiative. This advice is not only important for the founders and initiators but also for the members within the community. A positive and enjoyable atmosphere is key to maintaining motivation and engagement.

A good atmosphere within the cooperative fosters a sense of comfort and belonging among members, making them more likely to share their positive experiences with others. Word-of-mouth recommendations are a powerful tool in attracting new members and spreading the cooperative's values and mission. Therefore, creating and maintaining a supportive and enjoyable environment is fundamental to both the internal dynamics of the cooperative and its growth.

Inspiring Redesign Beyond the Business

The *FoodHub* model is grounded in a pragmatic approach, recognising the challenge of competing with large corporations that have vast advertising budgets and the ability to shape consumer behaviour on a daily basis. Despite this, the *FoodHub* believes that change can still be achieved, even if in small ways. The key, the company argues, is to empower individuals by demonstrating that they have the ability to take matters into their own hands and effect change. This sense of empowerment is not only motivating for the cooperative's members but also serves as inspiration for other initiatives in different sectors to adopt similar approaches to transformation.

While the *FoodHub* does not envision surpassing traditional supermarkets like Edeka in the near future, it sees its work as part of a broader shift toward changing the ecological and agricultural systems. Its model, which has attracted attention from students and researchers, serves as a case study for alternative ways of organising consumer markets. This interest, particularly from academic institutions like the Ludwig Maximilian University of Munich, reflects a growing recognition of the potential for such alternative systems to contribute to broader societal and environmental change.

References

Interview

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