

Kotzebue gets store from village corp

BY SARAH OVERMYER
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Commerce

Kotzebue has a new grocery store which the owners hope will sell \$3.5 million worth of goods a year, \$1.4 million of which to go to the area's Natives.

The store, another Alaska Commercial Co. production, is a joint operation between ACC and Kikiktagruk Inupiat Corp., village corporation of Kotzebue Eskimos. The president of ACC expects the Eskimos will receive 40 percent of the profits from the store the first year.

"The 40 percent is a trial

figure for this year. We want to make sure the corporation can deliver that much profit to the store," said Allan Gallant, president of CEDC Sales, Inc., which is doing business as ACC of Kent, Wash.

CEDC Sales, Inc. bought out Alaska Commercial Co. late last year. ACC is a 201-year-old company and dates back to Russian-owned Alaska when it was known as Northern Commercial Co.

CEDC Sales is the wholly-owned subsidiary of the Community Enterprise Development Corp., a non-profit organization.

If the first nine days are any indication of how the general store is to perform, it looks like it will be a winner. Kotzebue customers spent \$94,000 during that time. The store opened March 2.

Kikiktagruk, built and fur-

nished the building and leased it to Alaska Commercial. This is the first of such cooperative efforts by the company.

The building, built by Gittins Construction, Inc., of Anchorage, is made of wood and steel. It covers 17,000 square feet.

Kikiktagruk maintains a membership of 1,948 Natives.

For the first time, fresh unfrozen meat will be shipped into the community situated on the Baldwin Peninsula, which juts out into the Kotzebue Sound and is about 26 miles above the Arctic Circle.

There will be a four-day turnaround for the meat—it will leave Seattle Tuesday and arrive in Kotzebue Thursday where it will be sold Friday. Northwest Air Lines and Wien Air Alaska will provide transportation.

"The price for the meat is substantially below what you

would think it should be," Gallant said. "I figure we will be selling fresh meat for about 20 cents a pound higher than Anchorage retail prices."

West Coast Groceries of Seattle is the wholesaler for the 12 ACC Bush stores; most of them sell groceries, hardware and soft-goods.

Gallant sees his firm becoming "the largest rural retail operation in the Alaskan Bush." To do this he and his competitors have to respond to consumer demands. This has happened in Bethel.

When the Bethel ACC store opened, many residents ordered the majority of their consumer goods from Anchorage or Fairbanks stores. ACC began providing some of the products in demand which spirited the competition to do the same, he said.

Now the number of mail

orders has dropped significantly and the profits to Bush stores have grown.

There are three retail stores in Kotzebue and Gallant predicts one of them will fold during the imminent stores war in the town of 2,500 to 2,800.

"But the consumers will have cheaper prices and better quality," Gallant said. ACC hopes to garner 32 percent of the gross.

Alvin Ivanoff, an Alaska Native, is the store manager. He has been with Alaska Commercial and its predecessor for 19 years. He started as a clerk in Nome and Unalakleet prior to moving to Kotzebue.

CEDC Sales is negotiating with other Native corporations to set up similar businesses. Gallant would not elaborate, saying doing such could hurt negotiations.