

The FOOD CO-OP

2009 Annual Report



We supported 108 local vendors and 11 local distributors

CO-OP CLASS

"Definitions & Labels"
"Grains"
"Beans, Seeds & Nuts"

JANUARY
Rec Center
After School
Store Tour
27 kids

A year of co-op community outreach & education with classes, training, sponsorships & events

ergonomics training for staff with Jefferson Healthcare

Fermented Foods Class
Marko Colby full house



We inspired 100% recycled bags with FSC certified paper at all NCGA Co-ops



We define local as Jefferson, Island, Kitsap and Clallam Counties

P.T. Lighthouse Lions Homeless Shelter Fundraiser

FEBRUARY

Natural Foods Classes
"Sweeteners, Thickeners, and Oils"
"Dairy, Meat & Produce"
"Functional Foods/Allergies"

MARCH
Cheese-making class

BOD Awards Organic Seed Alliance Grant \$10,000

JAN-MAR
Direct sales for Cape Cleare, Colinwood & Nash's Organics

CO-OP CLASS

MARCH
Continued Natural Foods Staff Training with all Departments

Natural Foods Classes
"Definitions & Labels"
"Grains"

APRIL ANNIVERSARY
month-long celebration
Foodbank Fundraiser

APRIL
Member Appreciation Day



Take Back Your Food
Educational Signage & Kiosk

Natural Foods Classes
"Beans, Seeds & Nuts"
"Sweeteners, Thickeners & Oils"
"Dairy, Meat & Produce"

"Kitchen Medicine" class
Dr. Molly Force, ND

CO-OP CLASS

APRIL
Cake with the Candidates

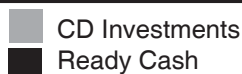
Steve Moore, Board President

Steve Moore, Board President

Opportunities for membership involvement have expanded in a variety of ways. We are offering more education about cooking and food preparation, about organic gardening, about how to use basic natural foods, and many other topics. The Co-op sponsors films and workshops about food and about social issues of interest in our community - and we have a busy calendar of festivals and special days for our members and for the larger community. Imagine what Jefferson County would be without your Co-op in the center of all of this activity!

As we look forward to the coming year, the Board is undertaking to make our governance structure — a system known as Policy Governance — work more effectively than has been the case. Policies that were adopted years ago when Policy Governance was first adopted are being re-examined and rewritten to ensure that the outcomes are what are needed to keep the Co-op operating effectively. And Co-op staff and Board members have begun to look at how our existing building might be modified to accommodate more business while providing a safer and more efficient environment for staff and owner-members.

Also on the horizon is working to adjust to the retirement of Sally Lovell as our Senior Accounting Analyst and to Briar Kolp's continued absence for medical reasons. While the interim management plan put in place by Briar and the management staff has worked well to provide for management continuity, the ongoing absence of these two talented long-tenured managers presents an opportunity for us to develop scenarios to ensure that the Co-op moves forward effectively. 2010 should be an interesting year!



In 2009
The Food Co-op
owner-members raised a
total of \$5,352.44 for the
Tri-Area Food Banks through
April fundraiser donations,
proceeds from the April book
sale, and the Beans for
Bags jar.

Puget Sound Explorers Store Tour

APRIL
Our Kids Our
Business
Sponsorship



**OUR
CO-OP
KIDS
Festival**

5 week
Bridge
closure
t-shirts



MAY
Natural Foods
Training
Grocery, Front End
Teams

Natural Foods Classes

“Functional Food &
Food Supplements,”
“Allergies” &
“Extended Store Tour”

JUNE Mainstreet Association Taste of P.T. event

**MAY
Annual Meeting
P.T. Community Center**

"Kitchen Medicine"
class
Dr. Molly Force ND

**“Taming the Sugar Beast”
class**
Heidi Snyder, RD

**WSU Master
Gardeners
Plant Clinic
every Friday**

**JUNE
Courtyard
Supper
Howly Slim**

JUNE
Natural Foods
Staff Training
Grocery, Deli Teams

JUNE
YMCA After School
Program Fieldtrip
24 kids

JUNE
"Taming the Sugar Beast"
Part II class
Heidi Snyder, RD

Cheese making class with Stacey Larsen-Stafki

Interviews & photo shoots
Short Family Farms,
Wild Harvest Creamery
Moonhill Mushrooms
Mystery Bay Goat Dairy

Natural Foods Staff Training
Grocery, Deli, Front End Teams

JULY
Rec Center
After School
Store Tour

Courtyard Supper
Eldon Sleight

JULY
Natural Foods Class
"Definitions & Labels"

Courtyard Suppers
Raven and Water St. Trolley

FOOD, INC. the movie
Rose Theatre co-sponsorship

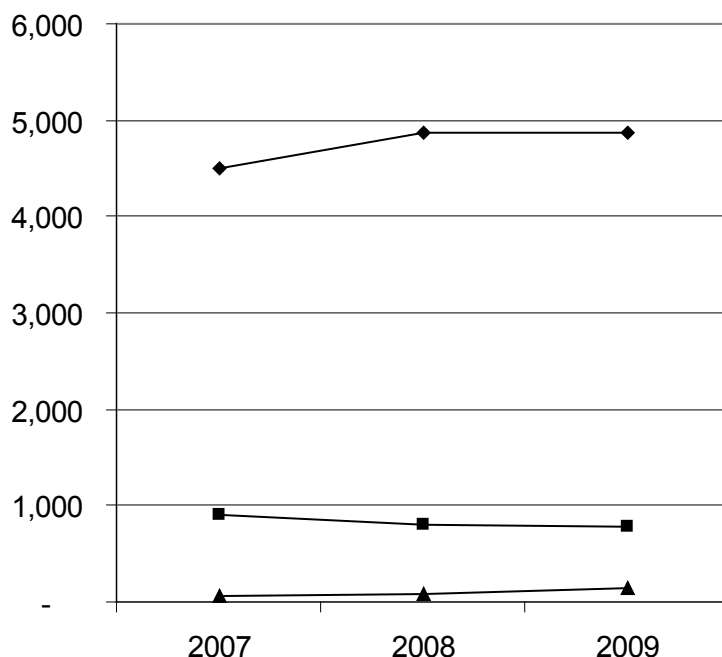


"Jam" class by Stacy Larsen-Stafki

Anne's Pesto
store demo

Courtyard Supper
"Ragged Haggis"

membership data



- ◆ Active/ voting memberships
- new memberships issued annually
- ▲ total withdrawn per year

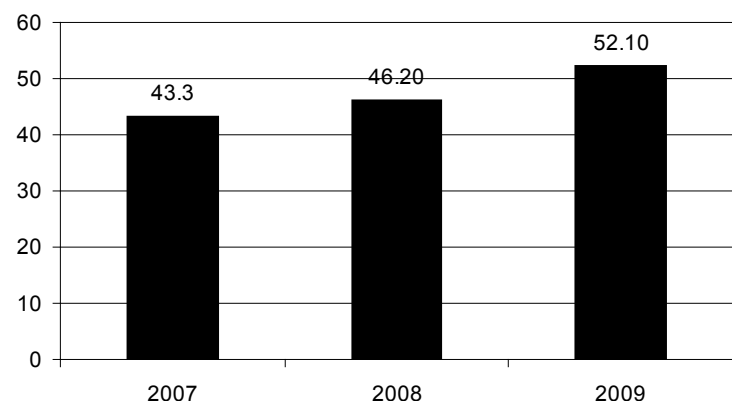
Bylaws
Article II
Section 2:
Defines active voting member as paid-in-full or paid Capital Investment (CI) for that month

Profit does not equal cash, and cash flow is critical to every business.

In 2009 The Food Co-op had regular weekly cash outlays averaging \$199,500/week, changed from \$206,400/week in 2008 and \$197,300/week in 2007.

L
LOCAL

member equity as % of assets



local expenditures

	2006	2007	2008	2009
Local farmers & producers	\$560,115	\$614,194	\$663,904	\$729,650
Local distributors & services	\$725,258	\$778,111	\$913,028	\$636,512
Staff wages	\$1,752,962	\$1,889,385	\$1,911,544	\$1,972,873
Staff vacation (paid time off)	\$92,641	\$99,544	\$126,692	\$129,861
Donations & discounts	\$47,410	\$46,506	\$56,300	\$68,585
interest on member loans	\$10,072	\$6,800	\$5,800	\$3,798
total local expenditures	\$3,188,458	\$3,434,540	\$3,677,267	\$3,541,279
% of annual sales	34.2%	33.8%	34.1%	32.9%
Annual Sales	\$9,326,925	\$10,170,073	\$10,787,304	\$10,754,609

Local Farmers & Producers purchases as % of annual sales	6.0%	6.0%	6.2%	6.8%
Local Purchases as % of Total Purchases	18%	16%	19%	17%

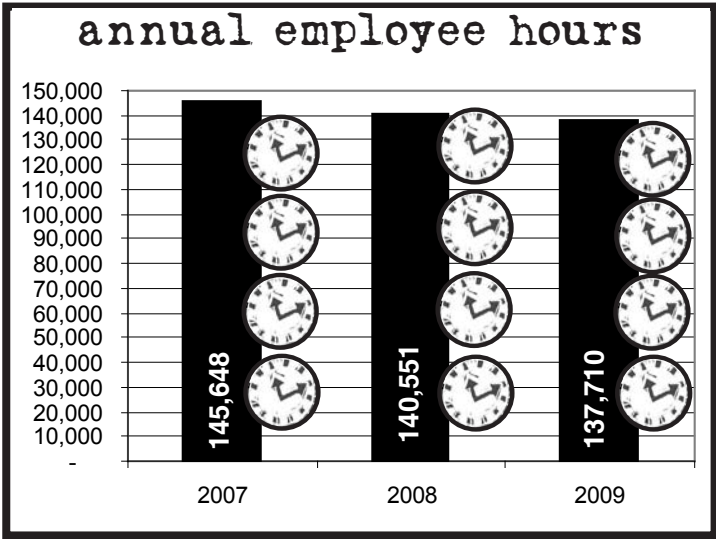
We're Stronger Together



by Deb Shortess
SIPS Manager/
Acting GM

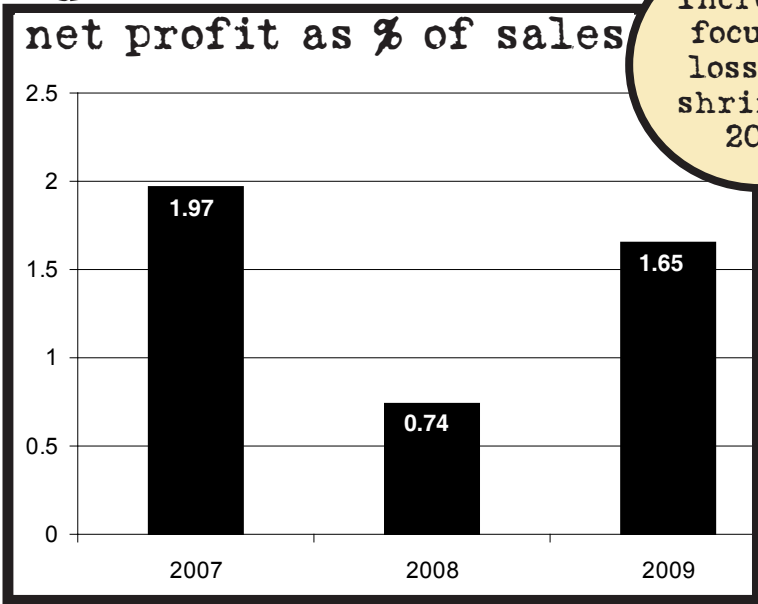
Co-Op Stronger Together: These are the words on the new NCGA (National Co-operative Grocers Association) logo which you will be seeing later this year on flyers, signs, and deli containers. The words are part of NCGA’s mission as a cooperative of 114 co-op grocery stores.

These words say a lot about our own Food Co-op.



An example of how we are stronger together came to me at our staff “All Team Meeting,” where we discussed our recent staff survey. One of the comments in the survey was, “We have the best group of people ever.” In part this can be attributed to low turnover and people working together for a longer period of time. As we retain staff, you can see the trend evident in this annual report of paid time off, wages and health benefits increasing. As a whole we worked fewer hours in 2009 and managed to retain staff with no layoffs even in the difficult economic climate.

In 2009, community ties were strengthened through education, a focus of our outreach department. Several co-op members, as well as our Outreach and Education Manager, Brwyn Griffin, are teaching classes and the classes have been filling up. Some classes had waiting lists and we are often asked



Increased focus on loss and shrink in 2009

AUGUST Farmers Market Harvest Dinner sponsorship

Courtyard Supper Michael Townsend

Courtyard Supper Chuck Easton

Andy Mackie Music Event sponsorship

CO-OP CLASS

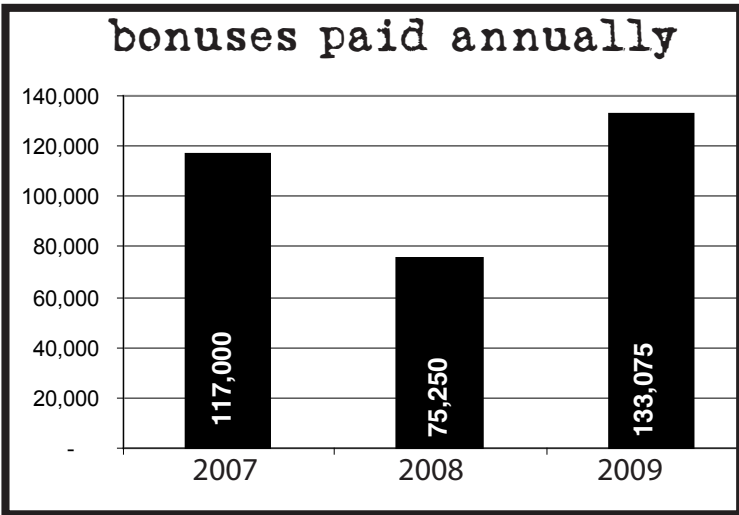
J.C. Fair Booth

AUGUST Natural Foods Staff Training Food Services

to repeat these popular classes. Topics range from how to make your own kombucha or fermented veggies to lessons on how to access healthy eating websites. We partnered with Port Townsend Library and received a grant to teach about healthy eating. Our Co-op Natural Foods curriculum includes over 10 hours of training, and in 2009 staff at all team meetings received this education, which was also offered free to owner-members.

We also strengthened our ties to the schools in our community by being a part of the Farm to Cafeteria program, working to bring local foods to the schools. We made a commitment to support efforts to bring healthier food options to school cafeterias and also to bring education about whole foods to the school classrooms. More school field trips to The Food Co-op occurred in 2009 than ever, and Brwyn also went to

Cont. on page 5



AUGUST Store Demo Nordic Naturals

Courtyard Supper Howly Slim

Produce Parking Lot Tent Sale

Store Tour Stevenson Middle School Port Angeles 27 Kids

Cape Cleare InSeason Courtyard Supper Sour Mash Hug Band

Natural Foods Class "Grains"

SEPTEMBER
month-long
Emergency
Preparation

Courtyard
Supper
"Fairly Soon"

OCTOBER
Member
Appreciation
Day

Kinetic Race
"Ko-op Frute
Stop"

SEPTEMBER
WSU Farm Tour
sponsorship

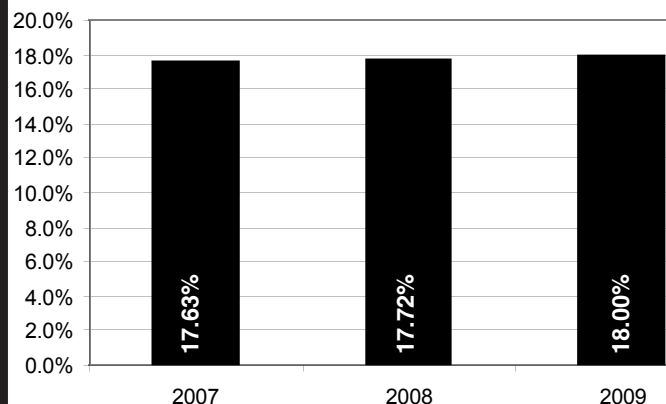
Natural Foods
Class
"Beans, Seeds
& Nuts"

Tomato Daze
Ugly Tomato
Contest

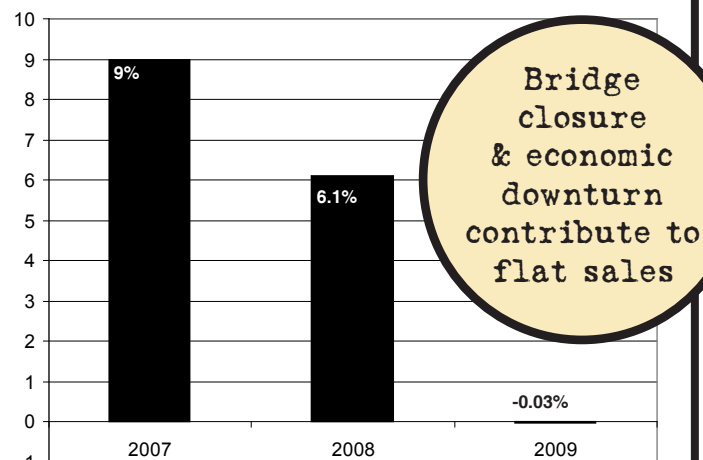
film
festival
sponsor



labor \$ as % sales



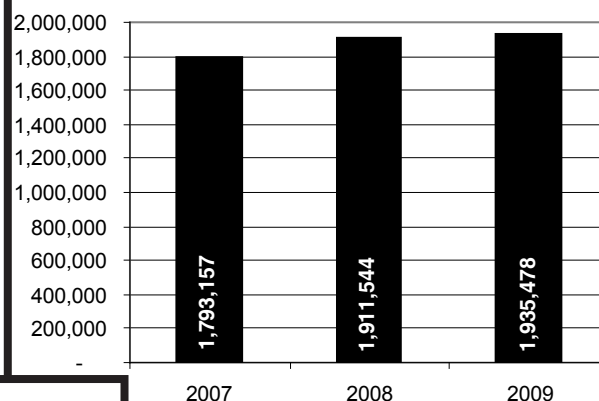
% sales growth from prior year



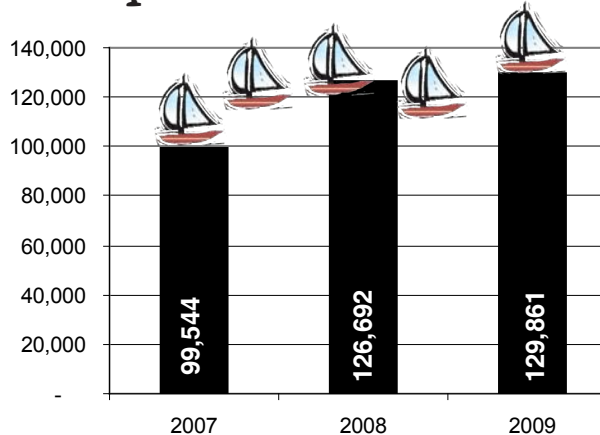
Bridge
closure
& economic
downturn
contribute to
flat sales

In
2009
our Deli
and Meat
departments
received
NCGA awards
for labor
efficiency

raw wages per year

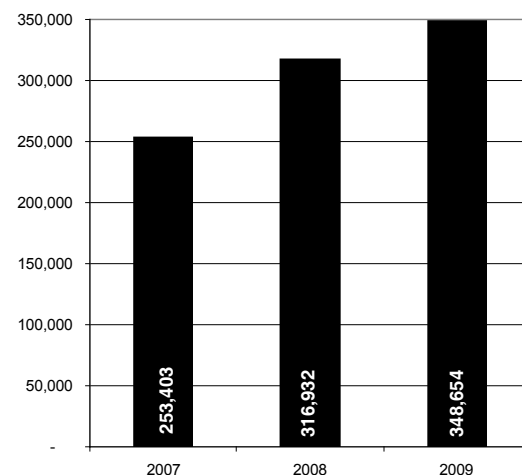


paid time off



For 2008-09 the Co-op Kitchen
received an award from Jefferson
Co. Public Health
for outstanding achievement in
food hygiene

health benefit costs



With
reduced
staff turnover,
more staff
qualify for
benefits

Deb Shortess, cont. from page 4

many local classes to offer healthy eating slide shows to students.

We are strengthening our connections with vendors by partnering. Have you tried our Food Co-op Organics personal care products? We partnered with Lyn Foss of Bunny's Bath to put together a basic line of organic personal care products. We partnered with Midori Farm to store our refrigerated truck allowing them extra refrigerated space during summer and fall when we don't need the truck. Each year we work with local farmers and producers to plan the year ahead. Since 2005, our local purchases have increased 7-10% over the previous year which is evident in the local expenditures chart found in this report.

And of course, our owner-members have kept us strong. We ended 2009 with sales just below those of 2008. We feel fortunate that we ended the year with no loss given the economic struggles of many businesses and attribute this to owner loyalty and growing interest in eating healthy foods. Our first quarter sales for 2010 are up a few percent over 2009, yet the number of active memberships changed little from 2008 to 2009. As we look ahead, we are budgeting 2010 sales to be even with 2009. Our focus will be working safely within our labor budget and, if approved by the board, a remodel of the back of the store to improve staff safety. We value your ownership and continued support because truly, we are stronger together!

Natural Foods Classes

"Sweeteners, Thickeners & Oils" and "Grains"

CO-OP CLASS

Bayside Gardens Apple Pressing

OCT/NOV

P.T. Library /The Food Co-op
"Healthy Eating" grant presentation
"The Language of Food"

P.T.H.S. Field Trips

130 students

Produce Buyer presents at P.T.H.S. Senior Class

NOVEMBER
Natural Food Staff Training
Grocery Team, Produce, Front End, Food Services

North Olympic Peninsula

Farm-to-Cafeteria

CONFERENCE

November 5th 10am-4pm



THE FOOD COOP

Profit & Loss Summary for 2009

SALES:	10,754,609	100.0%
COST OF GOODS SOLD	6,659,123	61.9%
GROSS PROFIT / MARGIN %	4,095,486	38.1%

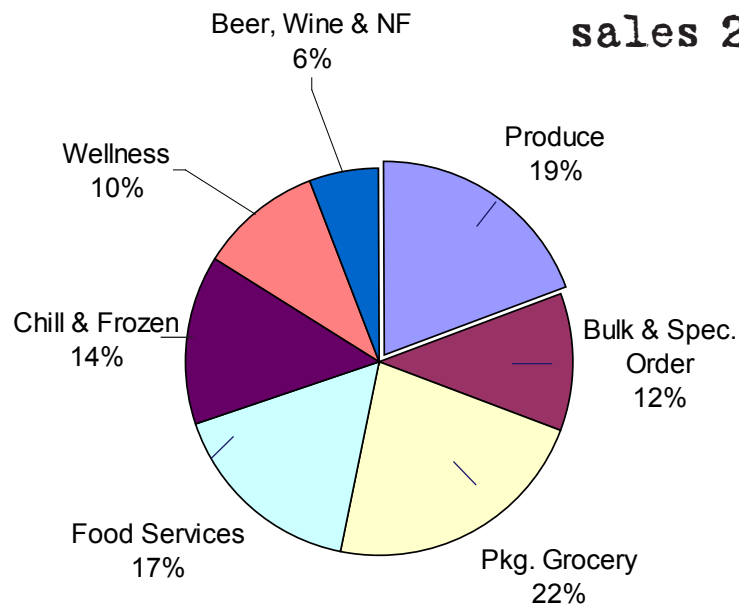
OPERATING EXPENSES:

Total Personnel	2,808,956	26.1%
Total Occupancy	266,692	2.5%
Total Store Operations	326,564	3.0%
Total Advertising & Outreach	104,176	1.0%
Subtotal Board	34,891	0.3%
Subtotal General Admin	314,149	2.9%
TOTAL OPERATING EXPENSE	3,855,427	35.8%

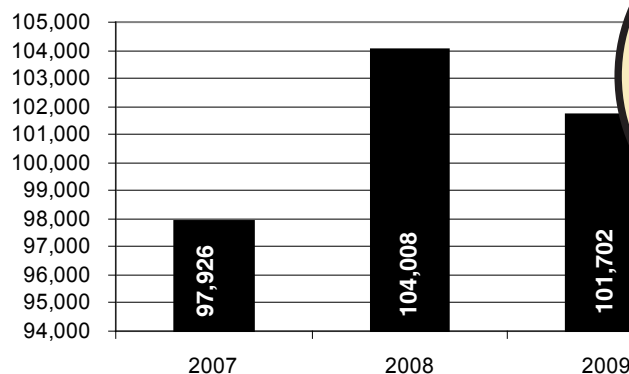
NET OPERATING INCOME 240,058 2.2%

TOTAL OTHER INCOME (EXPENSE)	30,074	0.3%
Federal Income Tax Exp	92,752	
NET INCOME (LOSS) AFTER TAXES	177,380	1.6%

sales 2009



credit card fees



Plastic fees went down, but so did sales.

Cooper Card - no fee
Debit Card - fee
Credit Card - fee



THE FOOD CO-OP Balance Sheet 12/31/09

ASSETS

Total Cash	1,020,870
Inventory & Receivables	413,889
Total Current Assets	1,434,759

Land, Building, Equipment 2,287,930

Total Assets 3,722,689

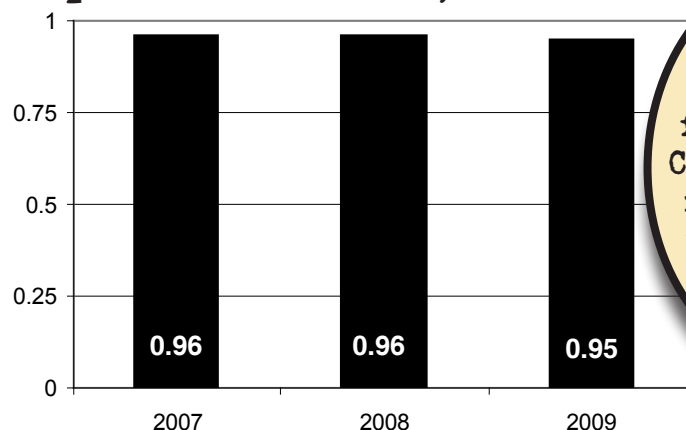
LIABILITIES

Total Current Liabilities	380,830
Total Long Term Liabilities	1,405,255
Total Liabilities	1,786,086

Retained Earnings	1,345,046
Capital Investments	591,557
Total Member Equity	1,936,603

Total Liabilities and Equity 3,722,689

plastic fee as % of sales



To eliminate credit card fees using the Cooper Card you must purchase the card with cash or a check.

NOVEMBER

P.T. Library/Food Co-op
The Language of Food
"Beans, Seeds and Nuts: Tiny Powerhouses of Nutrition"

Interview & photo shoot
Pane D'Amore Bakery

Omnivore's Dilemma book group

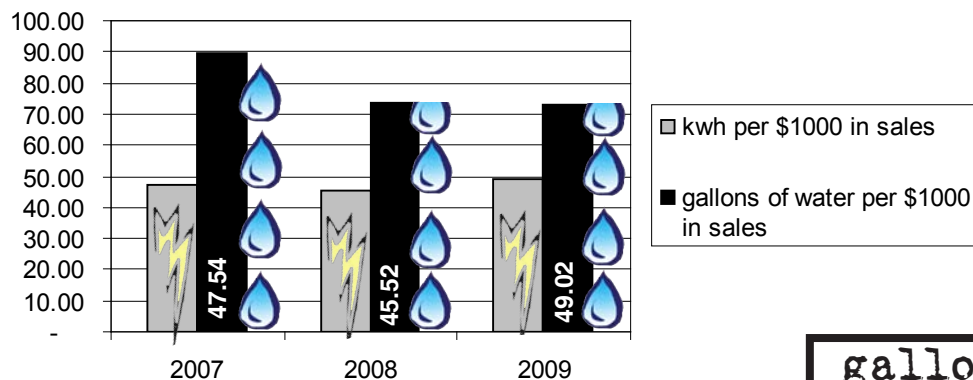
Natural Foods Staff Training
"Beans, Seeds & Nuts"
"Sweeteners, Thickeners & Oils"

NOVEMBER
10% off day for owner-members

The Language of Food
P.T. Library slide show
"Dairy, Meat & Produce: Why Organic Matters"
"Not All Oils Are Created Equal"

NOVEMBER
JC Land Trust Rainfest Auction sponsorship

electric & water



In 2009 we began to clean with ionized water

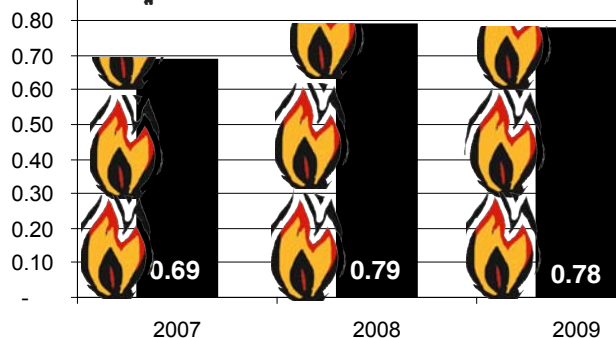
Jeff. Co. Green Biz Award 2009

DECEMBER
P.T. H.S. health class slide show
"Healthy Eating: Labels & Oils"

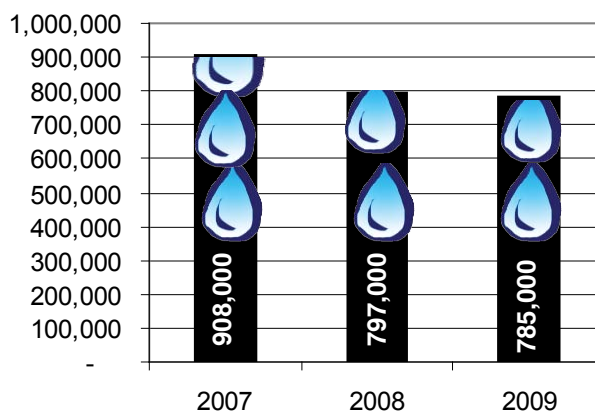
Natural Foods Class
"Functional Foods with Extended Store Tour"

CO-OP CLASS

gallons of propane per \$1000 in sales



gallons of water per year



DECEMBER
month-long DSHS Children's Giving Tree gift project

Cooking Class
"Winter Squash & Pumpkin" Solstice Farm

DECEMBER
10% off day for owner-members



We're the only WSDA Certified Produce Handler on the peninsula

How much Trash?
Cubic Yds/dollars
2007 112.17/ \$10,871.26
2008 123.55/ \$12,546.56
2009 128.60/ \$12,713.25

Part of our trash story...

2007

We could no longer recycle/reuse waxed cardboard & we were required to add additional meat packaging to the waste stream.

2009

We lost our ability to recycle plastic shrink wrap.

annual cubic yards of trash



In 2009 we added additional 10% off days for owner-members

2010

giving back to our community

Over 250 students came to The Food Co-op for educational fieldtrips



Promoted direct sales for Nash's, Colinwood, Frog Hill farms and Cape Cleare Fisheries in Co-op parking lot



Donation to Organic Seed Alliance



ReCyclery Bike Clinic



Donations of \$ 13,713.47 made to 37 local non-profit organizations

Kinetic Race Sponsorship



Our Co-op Kids Festival & Food Bank Booksale Fundraiser



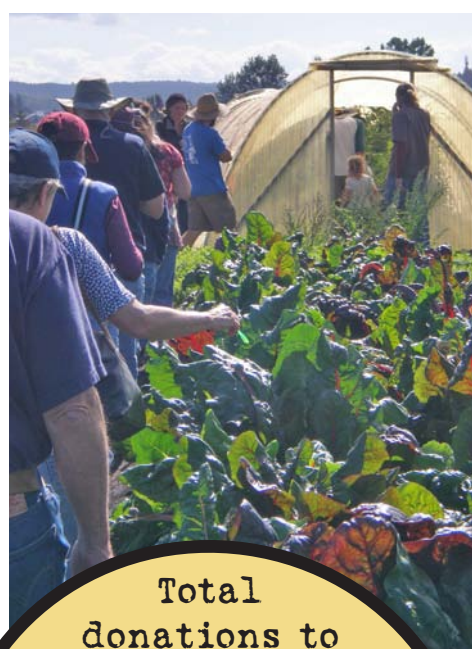
Courtyard Suppers



Member Appreciation Days



P.T. Farmer's Market Harvest Dinner Sponsorship



WSU Farm Tour Sponsorship

Total donations to our community in 2009 from The Food Co-op, Beans for Bags and Food Bank fundraisers totaled \$23,030.81

2009 BEANS FOR BAGS			
Tri-Area Food Banks	\$4,008.23	M.A.S.H. Clinic	\$346.45
Tilth Producers	283.45	Friends of the P.T. Library	\$363.05
Animal Angel Fund	377.10	Center Valley Animal Rescue	\$414.80
United Good Neighbors	253.95	Head Start/OlyCap	\$296.85
Humane Society of J.C.	479.10	AAUW	\$239.85
Sunfield Farm School	375.35	ECHHO	\$287.85
Jefferson Community School	247.10		

Bags → Nickles → Beans → \$7,973.13

