

# Annual Report

**THE**  
**food**  
**CO-OP**  
Port Townsend

# 2010

building  
our strong  
local  
economy

we're  
supporting  
over 200 local  
vendors



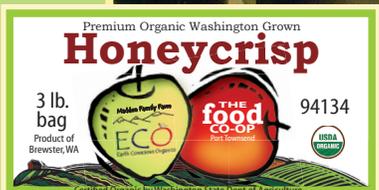
Our "local"  
is Jefferson,  
Island, Kitsap  
& Clallam  
Counties



**THE FOOD CO-OP**  
*organics*  
skin  
nutrition  
no added fragrance



February  
Free Fish & Farmshare  
Cape Clear Fisheries &  
Nash's Organic Produce





# Learning Together

Kenna Eaton, General Manager

Last year, in her Annual Report article “Stronger Together,” interim General Manager Deb Shortess wrote about how co-ops are working together to be stronger. That phrase, “Stronger Together,” is our Co-op motto and is also a co-op principle (#6, Cooperation amongst co-ops).

This year we’ve added “learning together” to our theme. Education is critical for a stronger, more vibrant world and is another co-op principle (#5, Education, training and information). As someone famous once said, “knowledge is power,” and I agree. Armed with knowledge, we can build a better world, grow greener gardens, cook yummier food and heal ourselves.

Over the years we have heard you, the owner-members, ask the Co-op to do a better job educating our community about good food. Last year, our Outreach team developed an incredible course of cooking classes and learning opportunities. The classes offered in spring 2011 range from the very basics—reading food labels, discovering grains and beans, healthy oils, organic basics and sweeteners—to the sublime and complex culinary art of braising meats for tenderness and increased flavor. Attendance at classes so far this year has been varied; however, the response from attendees has been extremely positive. The Natural Foods classes offered on Saturdays is free to anyone and will run four times in 2011, so if you missed it the first time around, you can check it out this fall. And if you think you already know it all, consider sending a friend, a neighbor or your [older] kids.

In addition to food-related classes like preparing “Live Foods,” we have an array of instructors willing to teach about healthy living with class titles like “Eat Well, Be Well” and “Restoring Health.” We are extremely lucky in Port Townsend to have such a collection of knowledgeable instructors. I am equally impressed with how well the classes are structured and attended. Learning together—what a wonderful concept. Thanks for the suggestion.

Education at The Food Co-op doesn’t just begin and end with those classes. Ninth graders in our community’s schools learn in health classes about fair trade, the value of local food and how to cook at home. As part of this class, they get to come to The Food Co-op to see learning in action. While in the store they learn about food while sampling, facts like peanuts grow underground, while watching the peanut grinder make sugar-free butter for them to taste. The following year, 10th and 11th graders continued this work with produce buyer Brendon O’Shea and Education/Outreach Manager, Brwyn Griffin. Helping kids learn about our food, where it comes from, how it’s grown and how it affects our community, is another important facet of learning together.

Finally, we see our newsletter *The Co-op Commons* and our website ([www.foodcoop.coop](http://www.foodcoop.coop)) as a third vehicle for education. Staff writers spend many hours researching issues that matter to our community. And while we have an opinion, we always try to lean on the side of informing and educating rather than editorializing. We want to do some of the groundwork for you: gather data, research print media and paint a picture for you. What you do with it is up to you, but we hope that by learning together, we can be stronger together. What do you think?

## Educational Store Tours



Over 300 students came to The Food Co-op for educational field trips



special ordering instruction and no additional mark-up!

FREE bulk jar labeling in the Alcove

Local2020 Emergency Prep education in the Alcove

## Co-op Partners in Education

### Healthy Living Grant Program with P.T. Library

“The Language of Food”

P.T.T.V. films 10 hours of Co-op live lecture series DVD available at the PT Library and on P.T.T.V.

CAROL CAHILL HEALTH WEBSITE WORKSHOP IN THE DELI

Basic Cooking Classes at YMCA with Arran Stark

Compost Workshops with J.C. Solid Waste Management

WSU Master Gardeners Plant Clinic every Friday in the Alcove



# What Makes The Co-op Different?



Sam Gibboney, Board President

**You've heard it before:** The Food Co-op is more than a store. But what really makes a co-op different than any other store? I've heard it described this way: A consumer cooperative is a business owned by its customers for their mutual benefit. It is a form of free enterprise that is oriented toward service rather than profit alone. It is this spirit of service, not only to our owner-members, but to our community and environment that sets us apart.

So it is that we use this annual report to assess ourselves of how we have been of service. We use this time of reporting as an opportunity to hit the pause button and reflect both inward and outward, to look both backward and forward. In this report, you will find many measurements of such things as our sales, our energy use, and donations to our community partners. We can also use this information to guide us in our plans for the future.

What a year it has been. From the Board's perspective, our banner accomplishment has been the hiring of our new General Manager, Kenna Eaton. Kenna takes the reins from our extremely hard-working and competent Interim Management Team of Deb Shortess, Victoria Wideman and Marcia Atwood. The Interim Management Team and the entire staff of The Food Co-op have indeed set a standard of service that has allowed our Co-op to continue to grow and prosper. It speaks well of who we are as a Co-op that we are able to attract such a qualified General Manager. I am proud of the welcome that our community has given Kenna.

We have many other yardsticks by which to measure our accomplishments. Our sales continue to grow. Our number of owner-members who shop at the

store remains strong. Members and non-members alike have filled the exciting class offerings. We remain committed to taking time to celebrate the turning of the seasons by hosting festivals and events. We continue to weave the fabric of our local community through our work with partner organizations such as the LandWorks Collaborative and the Jefferson County Farm to School Coalition. We put our money where our values are with donations and support to other community organizations such as the Food Bank.

Any review of the past year would be disingenuous if it did not note the proposal to boycott products from Israel. The proposal stirred deep sentiments from many of our owner-members and opinions ran the gamut. No matter whether you think the proposal should never been allowed to progress or you disagree with the Board's decision to reject the proposal, I hope you can agree with me that we ultimately weathered this controversy with respect for one another. Hundreds of our owner-members turned out to express their opinion and I witnessed a remarkably civil display of our diverse stances. I am touched by the compassion and respect that we were able to show towards one another.

So we turn to the next year before us. We face challenges as we and the world continue to feel the effects of the upheavals in the economy. We also have many opportunities. There is a tremendous upwelling of interest in local and sustainable food systems as much of the nation is coming to realize that the dominant paradigm does not serve us. It is up to us to offer an alternative. It is up to us to re-discover and re-invent the food systems that will truly nourish us, our communities and the planet. That is why The Food Co-op is so much more than a store.

## CO-OP CLASS



**Mt. Spirit Herbs**  
Denise Joy  
**Basic Soap Making**  
**Herbal Syrups**

Living  
Gluten-free  
& Cleansing  
Diet  
Dr. Molly  
Force



**Catherine Kane**  
**EMFs workshop**

Marko  
Colby  
**Fermented  
Foods**

Live Pie  
Mandalas  
Julia Corbett

**Live Foods Series**  
Rainie Sunshine

**FREE**

## Natural Foods Classes

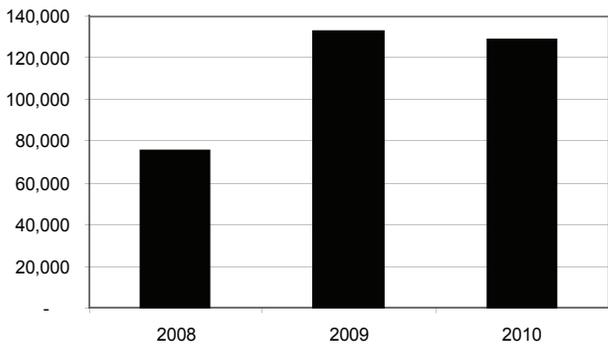
Labels: Definitions & Deceptions  
Grains: Beyond Wheat, Corn & Oats  
Dairy, Meat & Produce: Why Organic Matters  
Oils: Not All Are Created Equal  
Sweeteners: What's In, What's Out & In-between

**Master Preserver**  
**Nancy Edgerton**  
**Water Bath**  
**& Pressure**  
**Canning**

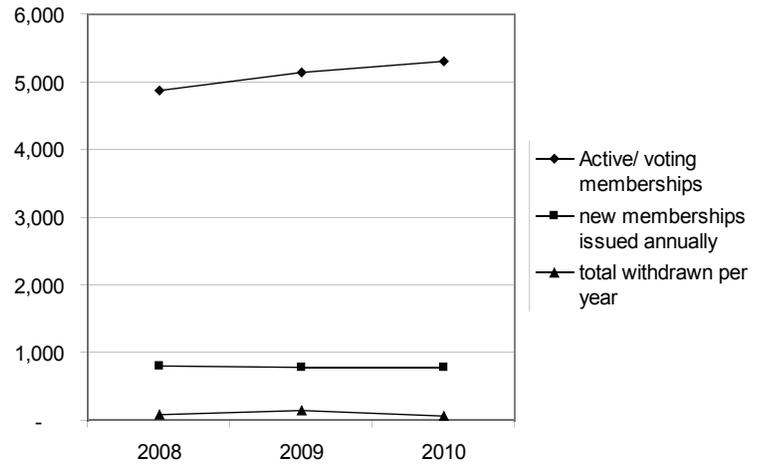


## CO-OP CLASS

bonuses paid annually

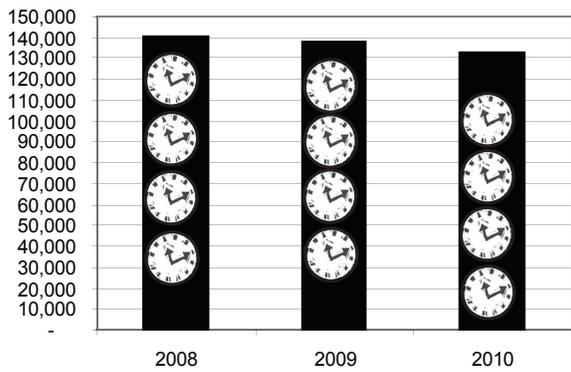


membership data

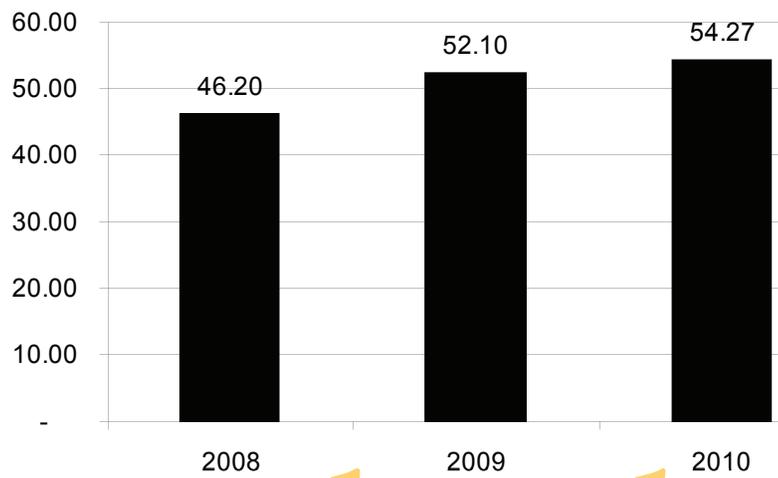


# staff

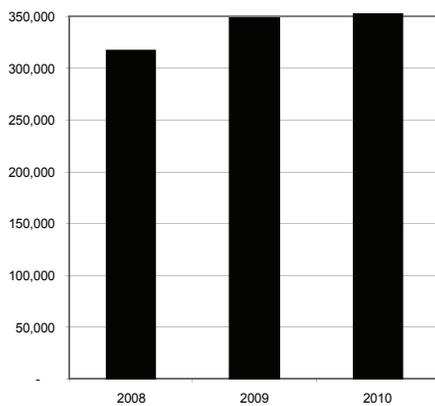
annual hours to run store



member equity as % of assets



health benefits paid



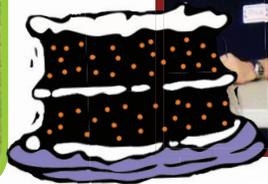
# membership



Annual Meeting



Employee Picnic



Cake with the Candidates

# finance

## THE FOOD CO-OP BALANCE SHEET

As of 12/31/10

### ASSETS

Total Cash	1,072,232
Inventory & Receivables	414,716
Total Current Assets	1,486,948
Land, Building, Equipment	2,235,578
Investments	333,776
Total Assets	4,056,302

### LIABILITIES

Total Current Liabilities	527,427
Total Long Term Liabilities	1,327,157
Total Liabilities	1,854,584
Retained Earnings	1,568,200
Capital Investments	633,518
Total Member Equity	2,201,718
Total Liabilities and Equity	4,056,302

## THE FOOD CO-OP Profit & Loss Summary

For the year 2010

<b>SALES:</b>	11,113,575	100.0%
COST OF GOODS SOLD	6,912,434	62.2%
GROSS PROFIT / MARGIN %	4,201,141	37.8%
<b>OPERATING EXPENSES:</b>		
Total Personnel	2,874,759	25.9%
Total Occupancy	248,196	2.2%
Total Store Operations	313,596	2.8%
Total Advertising & Outreach	99,200	0.9%
Sub Total, Board	45,910	0.4%
Sub Total General Administration	326,742	2.9%
TOTAL OPERATING EXPENSE	3,908,403	35.2%
NET OPERATING INCOME	292,738	2.6%
TOTAL OTHER INCOME (EXPENSE)	2,511	0.0%
Federal Income Tax Exp	100,887	0.9%
NET INCOME (LOSS) AFTER TAXES	194,362	1.7%

# BEANS FOR BAGS

Tri-Area Food Banks	\$3,673.80
Jefferson Co. Humane Society	523.15
Jumping Mouse	481.80
Jefferson Land Trust	407.80
Boiler Room	371.90
Hospice of Jefferson Co.	345.25
T.J.'s Wildlife Sanctuary	339.10
Olympic Mountain Pet Pals	290.30
Gathering Place	279.95
M.A.S.H. Clinic	262.30
Jefferson Teen Center	234.50
PT Playschool	234.35
Cystic Fibrosis Foundation	233.80

total  
beans  
\$7,678.00

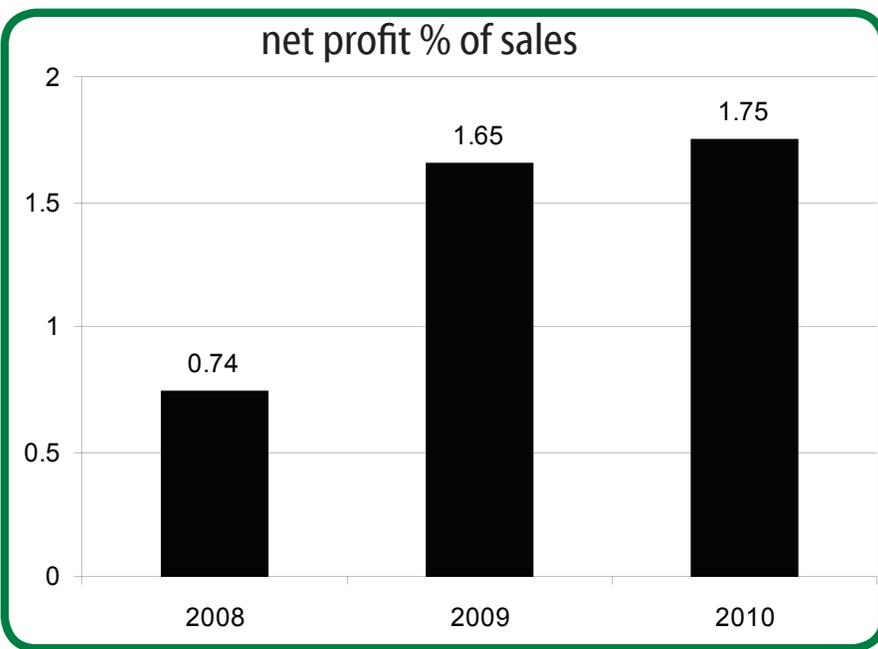
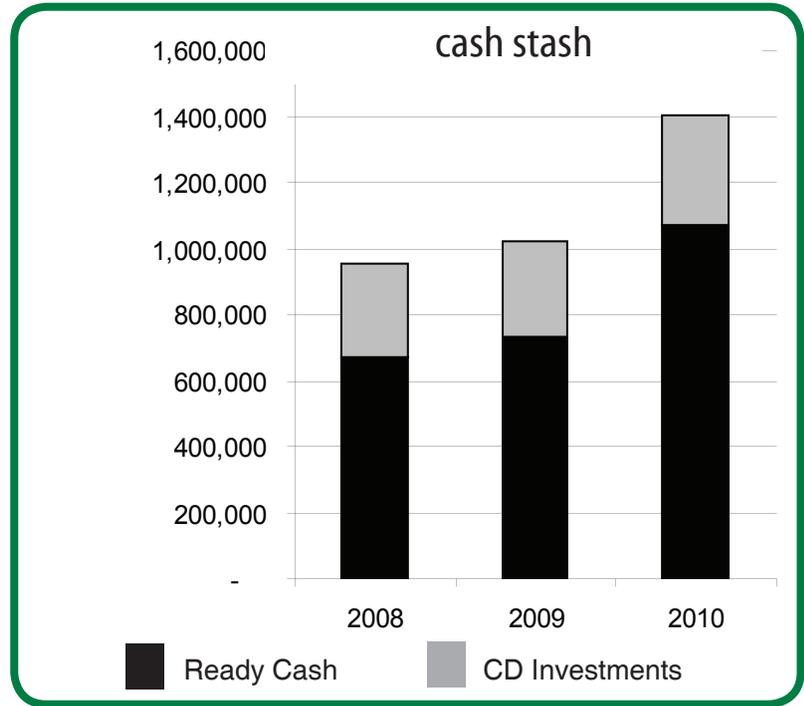
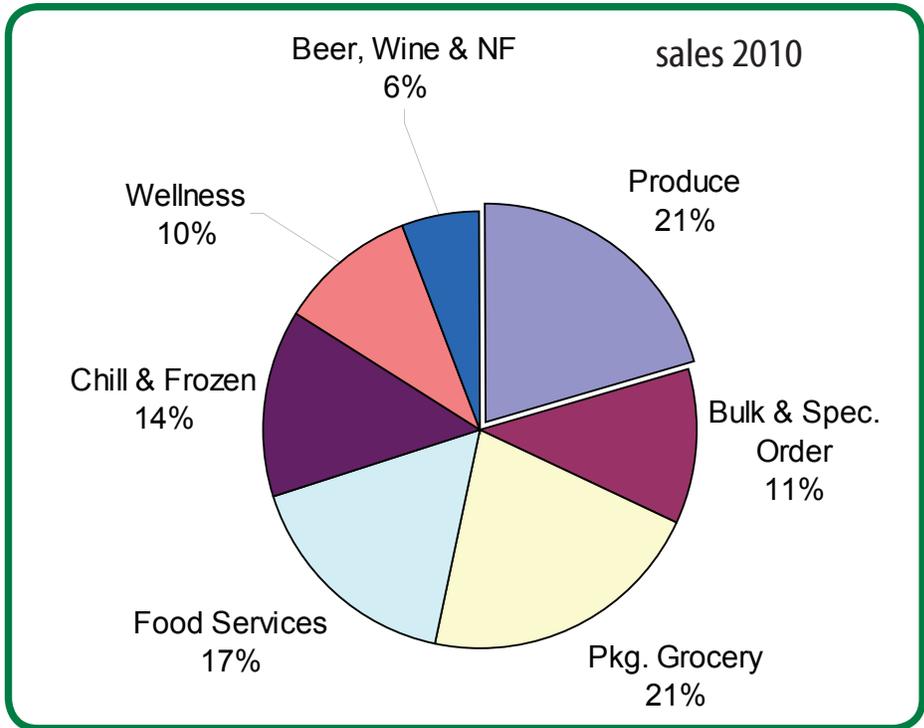
153,560  
paper bags  
saved!

Bags → Nickels → Beans →

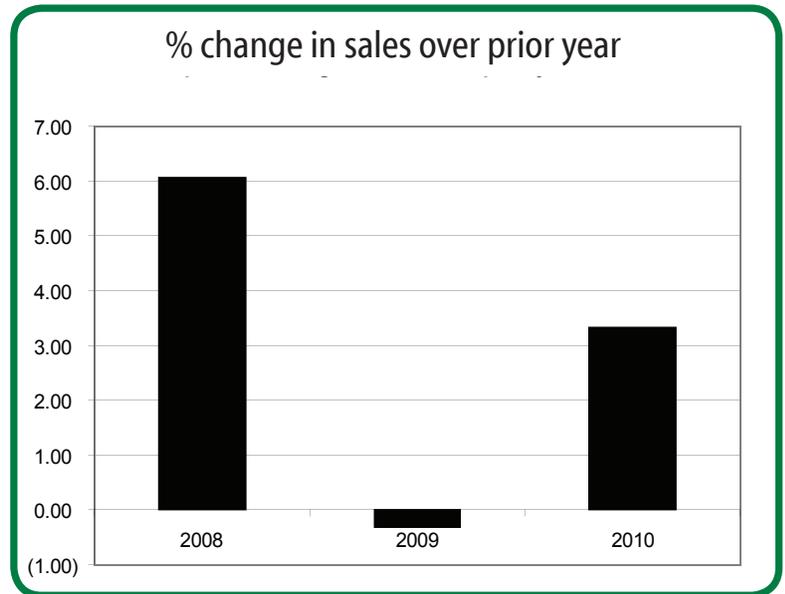
# donations

\$31,206  
given to 52 local  
non-profit organizations  
including:

J.C. Farm to School Coalition	\$10,000
Organic Seed Alliance	7,500
Northwest Earth Institute	2,000
LandWorks	2,000
WSU Farm Tour	3,000



# sales



# partners

**ORGANIC seed ALLIANCE**  
**GROW CO-OP**  
**NORTHWEST EARTH INSTITUTE**  
**PORT TOWNSEND P T F F FILM FESTIVAL**  
**Port Townsend Marine Science Center**  
 Dedicated to Marine & Coastal Education & Conservation  
**ROSE THEATRE**  
**NATIONAL COOPERATIVE GROCERS ASSOCIATION**  
**NON GMO Project**  
[www.nongmoproject.org](http://www.nongmoproject.org)  
**JEFFERSON LAND TRUST**  
**port townsend Farmers Market**

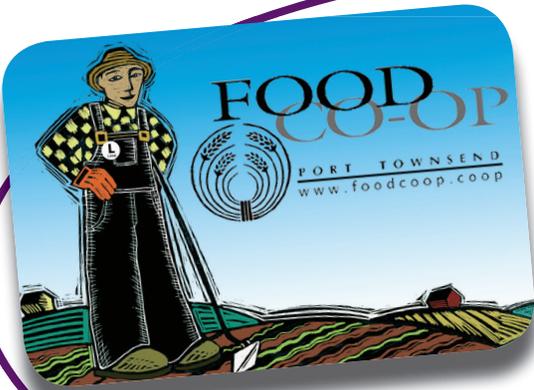


Local = Kitsap, Clallam, Jefferson & Island counties

**Local Expenditures**

	2008	2009	2010
Local farmers & producers	\$663,904	\$729,650	\$790,685
Local distributors & services	\$913,028	\$636,512	\$681,209
Staff wages	\$1,911,544	\$1,972,873	\$2,000,913
Staff vacation (paid time off)	\$126,692	\$129,861	\$125,293
Donations & discounts	\$56,300	\$68,585	\$56,661
interest on member loans	\$5,800	\$3,798	\$1,827
<b>total local expenditures</b>	<b>\$3,677,267</b>	<b>\$3,541,279</b>	<b>\$3,656,588</b>
<b>% of annual sales</b>	<b>34.1%</b>	<b>32.9%</b>	<b>32.9%</b>
Annual Sales	\$10,787,304	\$10,754,609	\$11,113,575
<b>Local Farmers &amp; Producers purchases as % of annual sales</b>	<b>6.2%</b>	<b>6.8%</b>	<b>7.1%</b>
Local Purchases as % of Total Purchases	19%	17%	18%

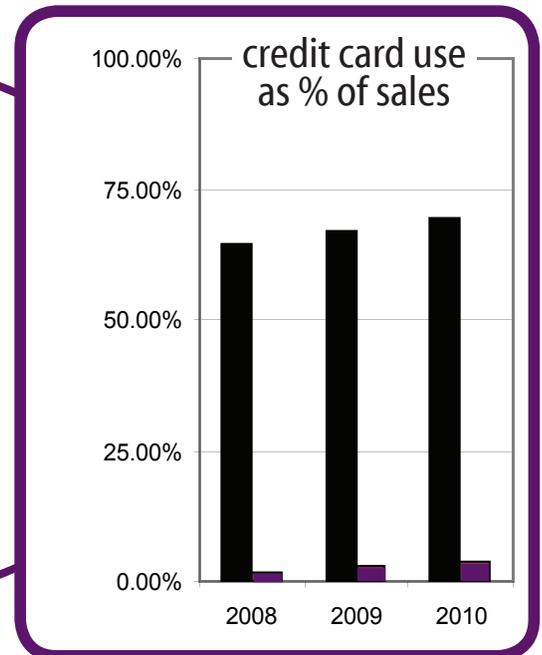
# Local



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

Credit Card Use as % of Sales

Cooper Card Use as % of Sales



## partners

Co-op donates  
apples to teachers



Apple  
Festival



April  
Member  
Appreciation  
Day  
October

# co-op & sponsored events



Main St. Taste of P.T.



Farmers Market  
Harvest Dinner  
Sponsor

The Food Co-op presents  
a film by Amy Kalafa:

**TWO angry MOMS** It's a movie. It's a movement. Help the JC Farm 2 Schools Coalition support changes to healthier food options in our school cafeterias.  
www.angrymoms.org

\$5 tickets available at The Food Co-op

**THE ROSE THEATRE**

Sunday, April 25  
1:00pm

JEFFERSON GROWN! Local 420  
www.jeffersongrown.org

our co-sponsors  
Slow Food®  
North Olympic Peninsula



Dove House Event  
Sponsor



Bravo Team Sponsor



Co-op Kids  
Earth Day Festival



Kinetic Race Sponsor