

monadnock FOOD CO-OP

monadnock[®]
FOOD CO-OP

2019 - 2020 ANNUAL REPORT







2020 ANNUAL MEETING

please, join us!

The Monadnock Food Co-op's Annual Meeting is your opportunity to:

- ask questions and voice concerns
- elect new Board Members
- learn more about our co-op's progress

Due to COVID-19, we will scale down our Annual Meeting and meet virtually. Join us online on Friday, October 23, starting at 7:00 pm.

< Pictured: Lisa Mahar, Monadnock Food Co-op Board Member and Kathy Burke, former Board Member

the monadnock food co-op annual meeting agenda:

7:00pm: welcome from our board

7:05pm: start of business meeting

7:30pm: end of business meeting

7:30pm: cooperator of the year award

7:35pm: outgoing board recognitions

7:40pm: election results

7:45pm: closing remarks

please register at:

**[monadnockfood.coop/event/
annualmeeting2020](https://monadnockfood.coop/event/annualmeeting2020)**



keep on truckin'

by Carolyn Crane, President, MFC Board of Directors

Last year's President's report referred to *Wishin' and Hopin' and Plannin' and Dreamin'*. This year's soundtrack might be more like *Keep on Truckin'*. As I write this article in mid-July, I look back on a year of many challenges to our co-op's performance. Yet, with determination and the support of our Member-Owners and the larger community, our co-op continues to thrive.

Following last year's Annual Meeting, few could have foreseen the arrival of COVID-19 and the huge impact that it is having on our health – physical, mental, and economic. Throughout this time, our leadership team has been nimble and thoughtful in their decision-making and responsive to the changing needs and perspectives of our stakeholders. I want to give a shout-out to all the staff and managers who have demonstrated courage and made sacrifices to keep the store operating and successful.

At the same time, the expansion has continued as planned and is close to schedule. By the time you read this, I expect the project will be in its final few months and we will be planning a Grand Opening, albeit a “Corona-era” event. I share your excitement on seeing what the finished project will be and the new horizons it opens for us.



I do not want to leave this message without speaking to the role that our co-op membership...all of us...can have in the fight for racial justice in our country. As an organization that holds progressive values, we must make every effort to be better today than we were yesterday. We must be true to our pledge that our co-op welcomes and includes everyone, work to correct our mistakes, and ensure that customers and staff feel safe and valued. This is how we will make a difference in our community and I hope you will join us in this process. Please contact us at board@monadnockfood.coop.

PS: If you see Jay Smeltz, thank him for his 8 years of service on the Board of Directors of our co-op. He will be missed!

good news: our co-op continues to thrive

by Michael Faber, *General Manager*

Our fiscal year ended on June 30 and, as you all know, it's been an extremely challenging year. The demands of our expansion project, coupled with the pandemic, drew much of our focus.

The good news, our community continues to support and see our co-op as an essential resource during these times. We feel grateful for that. Our role as a grocer has taken on new meaning and we are proud to be of service to our community, providing healthy, sustainable, and local food choices.

Our expansion project continues to progress well and we expect to complete all of the interior renovations by early December. With each finished phase of our construction, our excitement rises -- especially as we see visual signs of some of the enhancements our project will bring, like the completed amphitheater.

More broadly, our expansion will allow Monadnock Food Co-op to better meet our community's needs by:

- Providing an expanded assortment of healthy product choices, especially in our fresh departments
- Improving our prices through stronger purchasing power
- Increasing the sales of local products to \$6.5 million annually, supporting more local farms and farm families and the broader local economy
- Increasing operational efficiencies including bringing back all of our office staff into one building again

- Contributing to a more robust local economy with an additional 25 full-time equivalent jobs (20 full-time and 10 part-time)

We made some adjustments to our expansion plan due to COVID-19. For example, we postponed purchasing a new salad bar and replaced it with more grab & go space for fresh ready-to-go salads.

Additionally, we took many steps to ensure the health and safety of everyone during the pandemic. We provided thousands of masks to shoppers to help ensure shoppers had access to face coverings while inside our store. We installed health shields at the registers, stickers on the floor to promote proper distancing, and increased our cleaning and sanitation schedules, to name a few.

More recently, we were reminded of the racial injustices in our world. In the year ahead, we'll explore ways for our co-op to address racial issues and provide staff training on diversity, equity, and inclusion.

I know the year has brought so many challenges to each one of us in so many different ways, but I also know we are truly stronger together. I know our efforts to address these challenges will pay off and our community will grow stronger.

As always, I will update you as we move forward in the coming year. If you have questions or ideas, please reach out. Input from everyone is invaluable as we move ahead. I want to know what you think. My thanks to all of you, as always, for your support. Please email me directly at gm@monadnockfood.coop.

Ready,
Set,
grow!

Mojo Rogers
19

summersmakesthings

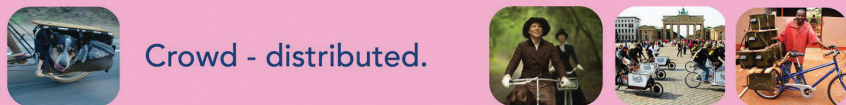




Crowdsourced.



Crowdfunded.



Crowd - distributed.



MOTHERLOAD



Crowd. Empowered.



gathering virtually

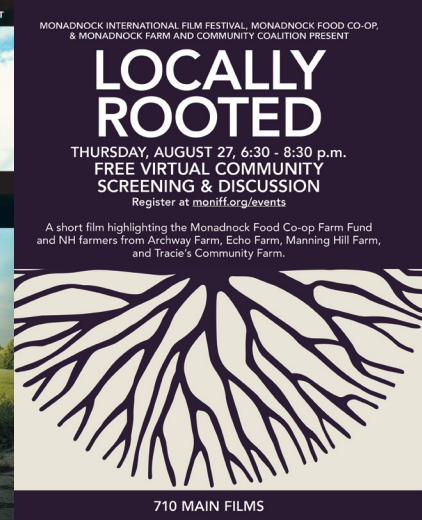
by Jen Risley, *Marketing Manager*

Despite canceling our in-person events, we continue to gather and build community virtually.

We collaborated with Monadnock International Film Festival (MONIFF) and Monadnock Alliance for Sustainable Transportation during Bicycle Month in May to host an online viewing of the documentary film *MOTHERLOAD*. The film focuses on cargo bicycles and so much more. We continue to receive photos from community members inspired by this film (pictured). Let's keep rolling!

In August, we celebrated NH Eats Local Month and hosted two virtual film screenings with MONIFF. The first film called *2040* explores what the year 2040 could look like if we embraced existing solutions in regenerative agriculture, renewable energy, and climate justice. The film asked viewers to explore "What's Your 2040?" Following the film we held a live post-film discussion with a diverse line-up of Monadnock Region changemakers.

Our second virtual screening in August was *LOCALLY ROOTED*, a locally produced documentary by Greg Pregent of 710 Main Films. We shared this film at last year's Annual Meeting. This film highlights the Monadnock Food Co-op Farm Fund and features farmers from Archway Farm, Echo Farm, Manning Hill Farm, and Tracie's Community Farm.



While we hope to return to in-person events in 2021, we're truly grateful to MONIFF and others for collaborating with us on these viewings. Be sure to check out our schedule of additional virtual screenings this fall at monadnockfood.coop/events.

"The [2040] movie and discussion group experience were both so heartening. Our 6-year-old watched a good portion of the movie with me and asked, 'Is this the future?' I said, 'It's what the future could be!' And he said, 'Okay, I'd like that.'"

— Bonnie Hudspeth, *2040* Event Panelist & Monadnock Food Co-op Co-Founder

< Pictured Above: Jean Marie Bryenton pedaling her cargo bike with Callum & Juno / Below: Sam Temple, Fire Dog Breads, makes his first cargo bike delivery of baguettes to our co-op

KEY FINANCIAL DATA FISCAL YEAR 2020 UPDATE

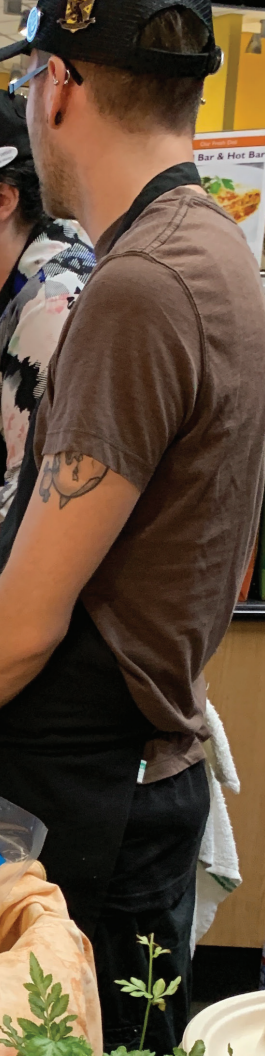
expense overview

61.6%	Cost of Goods
22.5%	Personnel
2.5%	Occupancy
2.8%	Operating
2.4%	Admin & Marketing
0.6%	Taxes
1.0%	Donations & Discounts
2.1%	All Other
4.5%	Net Income

\$15,060,865

TOTAL SALES





income summary & balance sheet*

Fiscal Years ending June 30	FY 2020	FY 2019	FY 2018	FY 2017
Income Summary				
Sales	\$15,061	\$13,683	\$12,773	\$11,386
Net Income	\$680	\$488	\$411	\$314
Balance Sheet Summary				
Current Assets	\$7,883	\$2,338	\$1,861	\$1,530
Equipment & Leasehold Improvements	\$6,223	\$698	\$595	\$589
Other	\$6,985	\$153	\$395	\$477
Total Assets	\$21,092	\$3,189	\$2,851	\$2,596
Liabilities				
Current Liabilities	\$1,743	\$1,017	\$996	\$628
Long Term Debt	\$16,881	\$299	\$421	\$916
Deferred Taxes	\$18	\$51	\$80	\$133
Total Liabilities	\$18,643	\$1,367	\$1,497	\$1,677
Equity				
Membership Capital	\$698	\$661	\$621	\$552
Retained Earnings (Deficit)	\$733	\$508	\$733	\$367
Total Liabilities & Owners' Equity	\$21,092	\$3,189	\$2,851	\$2,596

*All numbers displayed in thousands

< Pictured: We launched our \$5 Co-op Community Dinner events in 2019

during difficult times, we're stronger together

by Leanne Horvath, *Finance Manager*

We are grateful to share that despite these difficult times, our co-op maintained healthy overall sales in fiscal year 2020. Our overall sales exceeded our plan, exceeding \$15M. That's 10% over last year!

Our margins remained stable throughout the year at 38.4%. Personnel costs were 22.5% of sales due to our continued effort to improve compensation and benefits to our staff.

We invested over \$13M to purchase our building, the land for our expansion, construction costs, and equipment for the expanded store, increasing our total assets and total liabilities. Our net income for fiscal year 2020 was 4.25%.

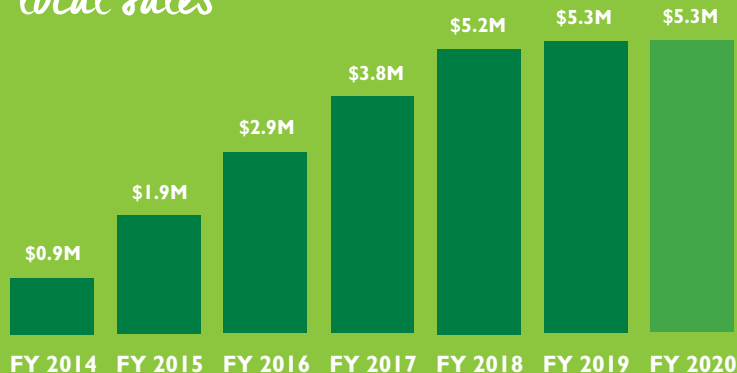
The financial impact of the pandemic was felt mostly in our prepared foods department. When we closed our popular hot bar due to COVID-19, our prepared foods sales dropped significantly, impacting our overall margin.

However, increases in other departments helped keep our total sales steady overall. Additional expenses incurred due to the pandemic included personal protective equipment for staff and customers, paper bags, and other supplies. We also experienced increased costs for sanitation and appreciation pay for employees working during the height of the pandemic.

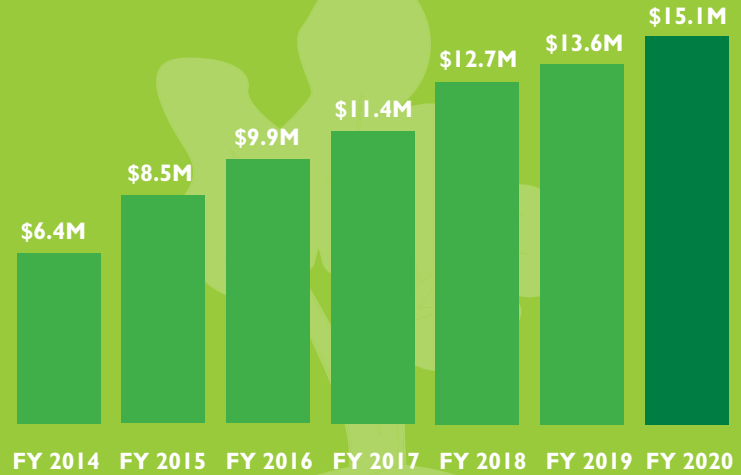
Since our store was profitable, we will issue a patronage rebate this year. Thanks to our continued success made possible by our Member-Owners and shoppers, our co-op is moving full speed ahead with the expansion set to finish in December.

Again, we are grateful for our community's support in these difficult times, and we truly believe that we are stronger together!

local sales



> Pictured: Farmers from our 2020 CSA Fair (Pre-COVID photo)



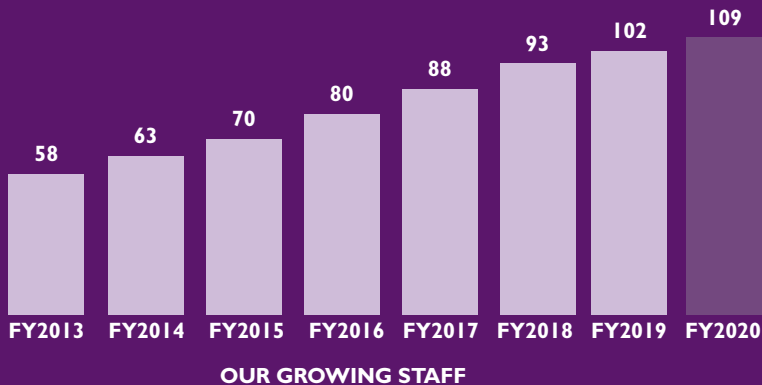
SALESTREND & GROWTH

10.1%

SALES GROWTH THIS FISCAL YEAR

\$91.5K

TO BE RETURNED AS PATRONAGE REFUNDS



11.2%

INCREASE IN STAFF FROM FY2019

\$87K

PAID TO STAFF AS GAIN SHARE

staff resilience and dedication

by Sue Ells, *Human Resources Manager*

Our staff continues to show incredible resilience and dedication through these trying times. We thank them all. To help support staff, we paid over \$43K in appreciation pay to recognize their work through the pandemic. Also, many hourly staff participated in the NH DES WorkShare program this summer which provided a \$600/week pandemic stimulus to eligible employees.

Despite COVID-19, we continue to recruit great candidates to our co-op. At the end of June, our staff reached 109 employees, with 21 hired since the pandemic struck. These hires gave us a head start on staffing through the expansion.

For the fifth year, we paid Gain Share (profit sharing) quarterly and annually to our staff. We pay Gain Share when our co-op's earnings are above budget. The bonuses, which totaled \$87K this year, are paid based on hours worked. Staff members who were employed the entire year earned 60¢ per hour above their regular wage through Gain Share.

We matched up to 3% for eligible staff participating in our IRA plan, amounting to nearly \$29K this fiscal year. On January 1, 2021, we will transition to a 401k plan since we surpassed 100 employees and improve our contribution up to 4%.

We continue to solicit feedback from staff and look for ways to be the best employer we can be. This past year, staff input led to improvements in our attendance policy and our bereavement leave benefits.

Paylocity, our HR Information System, supports our sustainability values by reducing paper-use. So much of our tasks can be done online, such as applying for a job, employee onboarding, time reporting, payroll benefits administration, and performance management.

Due to the pandemic, we were unable to hold most of our quarterly staff meetings and events. So in May and June, we treated our staff to a locally catered lunch each week — a grateful Member-Owner even provided one! Another time our Board provided boxed cookies from Saxy Chef.

The staff enjoyed a BBQ in July held along the rail trail at the back of our building. All managers participated in preparing and serving the meal to staff — another expression of appreciation for all their hard work. We were blessed with perfect weather to add to the festive atmosphere.



stop by the co-op on

PLAID FRIDAY

Friday, November 29

Wear PLAID all day to show your support for locally owned businesses. We'll have treats for all dressed in PLAID and our camera ready to photograph your Plaid Friday fashions.

Plaid Friday SPECIAL:
Get a FREE \$5 gift card with the purchase of any gift card of \$25 or more. (Limit one free \$5 gift card per person per day! Offer good on November 29th only.)

monadnockfood.coop/plaidfriday



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Celebrating Plaid Friday, November 29, 2019 (We miss seeing these smiling faces!)