





creating space for everyone in our food economy

This year's Annual Meeting takes place on **Saturday, October 16, 1 – 3 p.m.**, outside under a tent so we can more safely gather. Enjoy cider and donuts at the start of the event. (We'll have a gluten-free option, too!)

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

about our speaker

Lydia Clemmons, President and Executive Director of Clemmons Family Farm, will deliver a pre-recorded message to our Co-op. The Clemmons Family Farm is one of Vermont's largest African American-owned historic farms (circa 1778) and is listed on the State's African American Heritage Trail. Lydia will share the farm's rich history and how its legacy can help our Co-op more fully embrace one of our important ends statements: **A marketplace that welcomes & connects community.**

< Pictured Left: Jack and Lydia Clemmons, with their daughter, Lydia, Clemmons Family Farm, Charlotte, VT. Cover Art: Sunrise Cabbage by Leslie Moore: lesliemoore.net

the monadnock food co-op annual meeting agenda

1:00pm: welcome from our board

1:10pm: cooperator of the year award

1:20pm: speaker presentation

1:40pm: discussion: creating space for everyone in our food economy

2:00pm: start of business meeting

2:30pm: outgoing board recognitions

2:35pm: election results

2:40pm: end of business meeting

2:45pm: closing remarks

please register at:
monadnockfood.coop/event/meeting2021



with gratitude and joy

by Carolyn Crane, President, MFC Board of Directors

We have much to celebrate during our Annual Meeting this October including how far we have come in building a locally owned grocery store with a bright future.

As we continue to cope with the pandemic, we are all reminded of the size and scope of the difficulties that our staff and management have faced. So, with gratitude and joy, we will gather at our annual event to recognize our accomplishments over the last twelve months.

Completing the store expansion, on time and within budget, by itself is amazing. Against the backdrop of the pandemic, even more so. Our Board provided regular oversight of the project through reports from the General Manager at each meeting. We are proud of the results and hope you are too.

While respecting the General Manager's role in protecting our staff and shoppers during the pandemic, there was constant communication between the Board and Co-op Management about those challenges. The rapid changes in shopper behavior and the supply chain disruptions added to a very complex and difficult road throughout the year.

We saw some vacancies on the Board as the year progressed. Yet, we were excited to successfully find new members to fill open seats, adding their unique voices to our work.

Finally, we carefully examined our policies and practices to consider whether we truly are welcoming to everyone who might want to join our Co-op and shop with us. We have developed a Justice, Equity, Diversity, and Inclusion "lens" through which to consider everything that our cooperative represents and how we do our work. We expect to share that work with you all as it progresses.

The other members of the Board and I are excited, as I am sure many of you are, to watch our Co-op reach the promise of our expansion over the next year. See you there!

Have a question for the Board? Please contact us at board@monadnockfood.coop.

< Pictured Left: Board Members: Emmi Nakazawa Haddock, Carolyn Crane, Aubrey Saxton, Lisa Mahar, Jed Hart, Dee Fitzgerald. Not Pictured: David Sayles, Meena Neva

what's in store

by Michael Faber, *General Manager*

We closed our last fiscal year on June 30, 2021. By all accounts, it was the most challenging and exciting year at our Co-op since we opened our doors. Most of our efforts focused on managing the pandemic and our expansion project, which consumed all of the year.

As a result of all our staff's efforts and our community's support, I am proud to say that despite all of those challenges, our Co-op had an extremely successful year. Our Co-op is stronger than ever.

13.9%

SALES GROWTH THIS FISCAL YEAR

\$173K

TO BE RETURNED AS PATRONAGE REFUNDS

We are incredibly grateful for our staff and everything they endured this past year during the pandemic and are equally thankful for our shoppers who saw our Co-op as a safe place to shop and followed our health and safety protocols.

Our Co-op developed our vision for an expansion back in 2017 when we first showed signs of outgrowing our existing space. Working together, we added 6,700 sq ft of space to our building through our expansion project, which enabled us to:

- Provide an expanded assortment of healthy product choices, especially in our fresh departments.
- Improve our prices through stronger purchasing power.
- Increase the sales of local products to \$6 million annually, supporting more local farms and farm families and the broader local economy.
- Contribute to a more robust local economy with additional full-time equivalent jobs.
- Create two new community spaces, one inside our store and one outside.

Looking ahead, we are very excited about what's in store for our Co-op. There's a lot of work ahead and we are inspired by the challenge to continue to make our Co-op the best it can be for our staff and community.

Please email me directly at gm@monadnockfood.coop.

> Pictured: Co-op Staff resetting the Wellness aisles during our expansion.





supporting our local farmers

by Jen Risley, *Marketing Manager*

This spring, we announced three grant recipients for the 2021 Monadnock Food Co-op Farm Fund: Lucky 13 Farm, Manning Hill Farm, and Partners' Gardens. The Farm Fund proudly distributed \$29,000 among these farms. Since starting in 2017, we've awarded over \$87,000 in grants to 16 local farms.

The Monadnock Food Co-op Farm Fund, created in partnership with the Cheshire Country Conservation District, has a mission to support local farmers in increasing sustainable food production and wholesale sales to contribute to a thriving local farm economy.

Lucky 13 Farm, a diversified farm in Winchester that sells vegetables and eggs using organic methods, will build a wash and pack shed to develop their capacity to sell to wholesale markets and meet on-site retail demands. This shed will ensure their crops maintain their high quality in a climate-controlled wash house while also providing adequate cold storage.

Manning Hill Farm, a diversified farm selling glass bottled milk and pastured eggs, beef, and pork in Winchester, will purchase and install a walk-in freezer to store their inventory of cut meats. This increased storage capacity will allow them to boost production to meet their sales demand. It will also increase the farm's energy-efficiency practices, saving them operating dollars.

Partners' Gardens, a small-scale diversified farm that sells produce grown using organic practices in Nelson, will build a passive solar propagation house for seed starting. This infrastructure project will increase the farm's ability to get more crops in the ground and meet market demand. It will also decrease their dependence on fossil fuels while lowering their heating bills.

Our Co-op and shoppers contribute to this program. Additional funds come from the You Have Our Trust Fund. Fundraising is already underway for the 2022 Monadnock Food Co-op Farm Fund grant cycle. During December 2021, you can round up your change at our registers to donate to the fund.

< Pictured: In 2020, Stonewall Farm received a grant from the Monadnock Food Co-op Farm Fund to purchase and install a Caterpillar Tunnel, a season extension greenhouse kit. Farmers Logan and Cheezy plant spinach in the tunnel to grow over the winter months.

KEY FINANCIAL DATA FISCAL YEAR 2021 UPDATE

expense overview

62.1%	Cost of Goods
25.0%	Personnel
1.7%	Occupancy
3.1%	Operating
3.9%	Admin & Marketing
0.5%	Taxes
3.4%	All Other
6.2%	Net Income

\$17,165,302

TOTAL SALES



income summary & balance sheet*

Fiscal Years ending June 30	FY 2021	FY 2020	FY 2019	FY 2018
Income Summary				
Sales	\$17,165	\$15,061	\$13,683	\$12,773
Net Income	\$1,073	\$680	\$488	\$411
Balance Sheet Summary				
Current Assets	\$4,943	\$7,883	\$2,338	\$1,861
Equipment & Leasehold Improvements	\$9,349	\$6,223	\$698	\$595
Other	\$7,099	\$6,985	\$153	\$395
Total Assets	\$21,393	\$21,092	\$3,189	\$2,851
Liabilities				
Current Liabilities	\$1,560	\$1,743	\$1,017	\$996
Long Term Debt	\$16,419	\$16,881	\$299	\$421
Deferred Taxes	\$60	\$18	\$51	\$80
Total Liabilities	\$17,980	\$18,643	\$1,367	\$1,497
Equity				
Membership Capital	\$761	\$698	\$661	\$621
Retained Earnings (Deficit)	\$1,124	\$733	\$508	\$733
Total Liabilities & Owners' Equity	\$21,393	\$21,092	\$3,189	\$2,851

*All numbers displayed in thousands

< Pictured: Bruce Wooster of Picadilly Farm in Winchester, NH, received a grant from the Monadnock Food Co-op Farm Fund for a seeder, reaping benefits like reduced hand labor and better crop returns.

continued growth in an uncertain year

by Leanne Horvath, Finance Manager

Our Co-op is pleased to report that our sales growth exceeded expectations in Fiscal Year 21, with overall sales exceeding \$17.1M. That's a growth of 13.9% over our prior year and in line with our expansion targets.

Our customer count (number of people who made a purchase from us) declined FY 21 compared to FY 20, but our average basket size (amount spent per customer) was higher, helping us offset shopping changes induced by the pandemic.

Our margins remained healthy but slightly lower than FY 20 at 37.89% as our sales mix among departments changed during the pandemic. Our personnel cost rose to 25.03% due to pandemic-related appreciation pay for our staff and our Co-op absorbing the costs of a health insurance benefits increase. While we used most of the Payroll Protection Program (PPP) loan in FY 20 for approved expenses, this loan was forgiven in February 2021, which positively affected this year's net income. Our net income was 6.24% of our revenue, above the projected net income for the year.

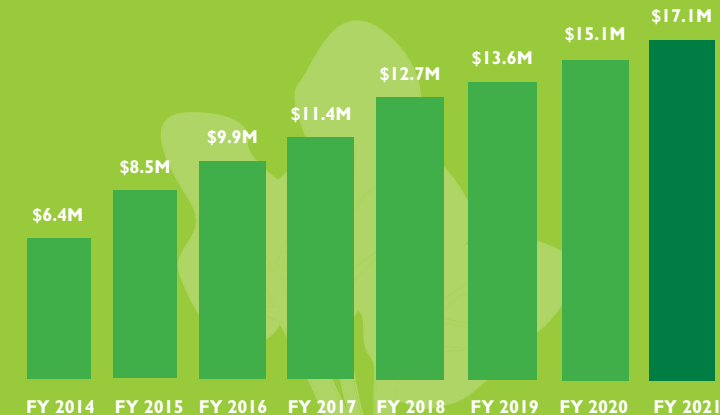
This fiscal year we accomplished our goal of completing our store's expansion — all within budget. We achieved this despite the challenges brought on by the pandemic. We learned that we needed to be flexible with our expansion plan to meet the new demands brought on by current events.

Our expanded store allowed us to bring in a more extensive selection of local goods and increase our product availability, contributing to our sales growth.

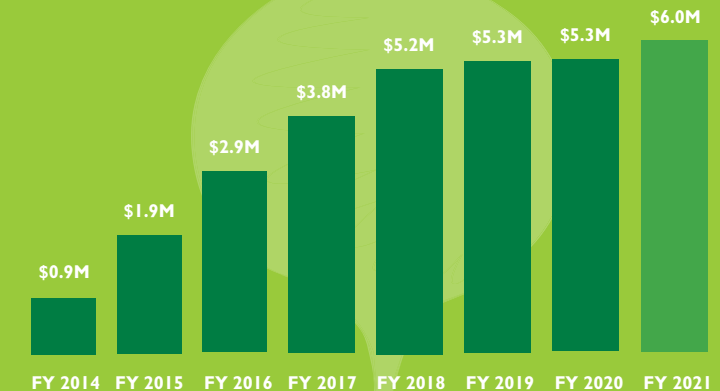
Looking ahead to FY 22, which runs July 1, 2021 to June 30, 2022, we expect that with the completion of our expansion, depreciation costs will increase significantly which will lead to a projected small negative income for this coming year. These changes to net income were planned for with our expansion projections and should gradually improve in the coming years.

Thanks to our staff's hard work and shopper loyalty, our Co-op will again issue a patronage rebate payable to Member-Owners this year of \$172,976. We have such gratitude for our Member-Owners, shoppers, and community that make our Co-op a success.

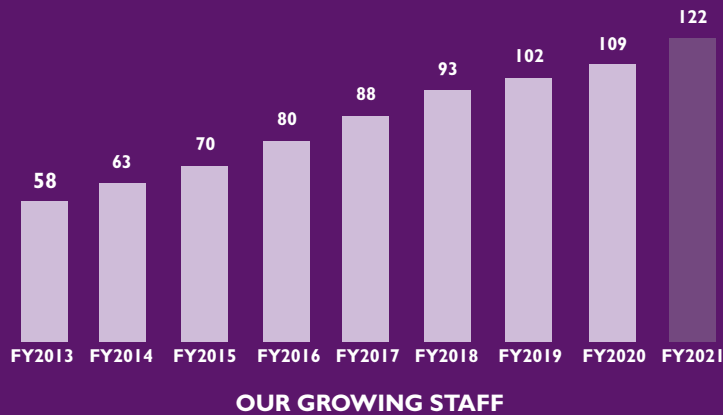
> Pictured: Hana Kiewicz-Schlansker, Carin Labine, Evan Sabatelli, and Marcus Lovell-Smith of Boggy Meadow Farm, Walpole, NH



TOTAL SALES



LOCAL SALES



11.9%

INCREASE IN STAFF FROM FY2020

\$122K

PAID TO STAFF AS GAIN SHARE

our growing co-op family

by Sue Ells, Human Resources Manager

Our Co-op started eight years ago with 56 employees. Since then, our staff has grown to 122. Thanks to our expansion, we added 13 positions this past fiscal year. We plan to add another 10 – 15 jobs by the end of this calendar year.

Each year, we work to improve our pay rates. We increased our base wage to \$13/hour this year and provided adjustments to most hourly staff based on longevity, totaling an estimated cost of \$117K. We plan to make more improvements this fiscal year.

Employees earned quarterly and annual Gain Share (profit sharing) bonuses for the sixth year in a row, totaling \$121.9K (paid based on hours worked). Staff employed the entire year earned an additional 83¢ per hour above their regular wage. In addition to the Gain Share payments, we also paid out \$46K in staff appreciation bonuses to continue supporting our team during the pandemic. Overall, we have paid almost \$90K in appreciation pay since the pandemic started.

In January, we improved our staff retirement package by converting our Simple IRA to a 401(k) plan and reduced the eligibility to 60 days instead of one year. Our contributions to these accounts totaled \$39K this fiscal year. Company match increased to up to 4% and is fully vested from the start — a very generous benefit.

< Pictured: Co-op Staff

Our staff members make sacrifices on holidays, so another gesture of employee appreciation this year was to add Easter to the holidays for which we pay time and a half to hourly staff who work that day.

For the first time since we opened, we experienced a significant increase in our health insurance premiums this year. We absorbed the majority of the increase to minimize the impact on employee payroll deductions.

We added an “On Demand Payment” option, which gives employees access to their earned pay before payday when an unexpected expense occurs. This option removes the need to request a pay advance and the money is directly deposited into their bank account, generally the same day.

Every two years, we conduct a Staff Satisfaction Survey using a third-party consultant to ensure anonymity and encourage honest feedback. This year we had 100% participation ensuring all staff had a chance to report on their work experience here at our Co-op.

Despite the challenges of this past year and a half, the survey results showed Co-op staff generally experienced high levels of job satisfaction. They overwhelmingly felt recognized for their work and would recommend our Co-op as a good place to work. Over 40% of our survey results rated in the top quartile of food co-ops across the country. We are grateful for our staff and their feedback.



Pictured: Hali Taylor, Lisa and Howard Prussack, and Imelda Reilly of High Meadows Farm, Putney, VT.