




monadnock[®]
FOOD CO-OP

2022 – 2023 ANNUAL REPORT



monadnock food co-op: 10 years of community impact

This year's Annual Meeting will take place on
Friday, October 27, 5 – 7:30 pm at:

Stonewall Farm
242 Chesterfield Road
Keene, New Hampshire

Enjoy Co-op-made appetizers plus local beer, cider, and wine before the business meeting begins. After the meeting we'll enjoy locally made Frisky Cow Gelato and other dessert treats!

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.

< Pictured Left: Jenna and Tyler Rich, Partners' Garden, Nelson, NH
Cover: Oliver and Elise Levick, Monadnock Berries, Troy, NH

monadnock food co-op annual meeting agenda

5:00pm: social time/beer, cider, wine & apps

5:40 pm: welcome from our board

5:45 pm: business meeting, Q&A, cooperators of the year, outgoing board recognition, election results

6:45 pm: end of business meeting

6:50 pm: presentation: 10 years of community impact

7:15 pm: Q&A

7:30 pm: closing remarks

please register at:
monadnockfood.coop/event/meeting2023/



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

our co-op's foundation

by Carolyn Crane, President, MFC Board of Directors

The theme for this year, "10 Years of Community Impact," perfectly aligns with our cooperative's core values and what sets us apart from other grocery stores. Our Co-op's foundation is built on supporting and enriching our community, and this theme reflects that commitment.

As a cooperative, the Board of Directors holds a crucial responsibility to our Co-op's owners. They ensure accountability by monitoring the General Manager's actions through a set of year-round policies. These policies are designed to achieve our Co-op's Ends, which were thoughtfully developed by our early owners and organizers. The Ends are our guiding principles and answer the question of why we exist as a cooperative: to meet our community's needs.

In every decision they make, the Board keeps the Ends in mind. They carefully consider whether each choice aligns with our Co-op's purpose and furthers our mission. Our Co-op's purpose extends beyond merely providing healthy food for sale; it's about making a positive impact on our community.

In the past year, the Board of Directors diligently reviewed and reassessed the Ends statements to ensure

their continued relevance and strength for the next decade. After extensive discussions, we are pleased to present our owners with slightly revised, and we believe improved, Ends Statement:

Monadnock Community Market exists to meet our community's need for:

- an accessible community-owned food market
- a marketplace that welcomes, serves, and connects community
- a healthy, sustainable food system
- the support of local farmers and producers
- education to promote healthy living
- a strong, sustainable, and improving local economy

With this crucial task completed, the Board is now well-prepared to lead our co-op into the next ten years. We always welcome owners who wish to join us on this journey as leaders, ensuring the strength of our Co-op and the lasting and meaningful impact it has on our community. Together, we can continue to make a difference and uphold the values that define us.

< Pictured: Monadnock Food Co-op Board of Directors Ed Selby, Lisa Mahar, Aubrey Saxton, Trish Campbell, Nicole Mitchell, Carolyn Crane, Dee Fitzgerald, and Sandy Hamm.
Not pictured: David Sayles

thank you to our co-op community

by Michael Faber, General Manager

I am delighted to share that our Co-op has had another successful year on multiple fronts. In our annual report we will highlight some of these accomplishments and I will touch on several of them here. First and foremost, I want to express a huge thanks to everyone who is a part of our Co-op, including shoppers, Member-Owners, staff, vendors, and our broader community, as they are all responsible for our success.

Financially, we had a solid year, finishing in the black. For more detailed financial information, please refer to the Finance report. Although we took on significant debt for our expansion, we managed to make progress in paying it down during the year.

We also made two important additions to the Farm Fund. To begin, we extended our initiatives to encompass Farmland Protection, acknowledging the scarcity of farm resources in NH. We also introduced a new criterion for Emergency Disaster Relief aimed at aiding local farms severely affected by flooding and other climate related emergencies. Our commitment

to sustainability and efficiency led us to make notable improvements to our Food Production Facility which we acquired in 2022. Through a refrigeration and lighting retrofit, along with roof replacement and enhanced insulation, we significantly enhanced the building's energy efficiency.

Furthermore, we have been actively exploring opportunities for future growth. Based on a Market Study conducted in 2017, Peterborough emerged as a prime area for consideration. Throughout the year, we began investigating the best approach to enter and serve that community, paving the way for exciting possibilities ahead.

Once again, I extend my heartfelt thanks to all those who have contributed to our Co-op's accomplishments. Together, we look forward to continuing our journey of success and community-driven initiatives.

> Pictured: Our Co-op's entrance



\$32K

FARM FUND GRANTS

\$91K

HEALTHY FOOD FOR ALL DISCOUNTS

\$7M

LOCAL SALES



championing our local farmers: sustaining community growth

by Megan Lafaso Hercher, *Marketing Manager*

This spring Monadnock Food Co-op Farm announced three grant recipients for the 2023 Farm Fund: Dog Days Farm, Black Fire Farm, and Manning Hill Farm. The Farm Fund proudly distributed \$32,906 among these farms. Since starting in 2017, we've awarded over \$152,000 in grants to over 19 local farms.

The Monadnock Food Co-op Farm Fund, established through collaboration with the Cheshire Conservation District and the Monadnock Conservancy, acts as a driving force for local farmers to grow their enterprises in a way that resonates with their commitment to sustainability and the overall welfare of their communities. The farmland protection initiative, operating in partnership with The Monadnock Conservancy, represents a fresh endeavor aimed at safeguarding our precious farmland.

Moreover, it plays a pivotal role in diversifying our Co-op's selection of locally grown, raised, and crafted foods – ultimately leading to an abundance of fresh, local foods for you, your loved ones, and our vibrant community.

Sarah and Sam of **Manning Hill Farm** will be enhancing their operations by transitioning to a new milking parlor. This upgrade will not only optimize their time management and improve overall farm efficiency but also result in a significant boost to their milk production.

Black Fire Farm, a diversified farm in Hancock and Greenfield, NH will build a new propagation house powered by a wood pellet stove. This project will allow for increased production and energy efficiency.

Dog Days Farm, previously Tracie's Community Farm, is set to embark on an exciting venture. They will be building an automated, heated high tunnel to significantly boost the production of retail-ready plant starts.

Both our cooperative and shoppers actively participate in supporting this program. We have already commenced fundraising efforts for the 2024 grant cycle of the Monadnock Food Co-op Farm Fund. If you wish to contribute to the Farm Fund, you can make a donation at any time by visiting monadnockfood.coop/farmfund.

< Pictured: Jack Rixey, Dog Days Farm, Fitzwilliam, NH

\$20,713,267
TOTAL SALES

INCOME STATEMENT SUMMARY FOR FISCAL YEAR 2023

expenses

Cost of Goods	\$12,934,423	62.45%
Personnel	\$4,888,004	23.60%
Operations	\$589,262	2.84%
Occupancy	\$491,711	2.37%
Marketing	\$449,495	2.17%
Depreciation	\$441,486	2.13%
Administration	\$347,107	1.68%
Other Expenses	\$121,398	0.59%
Net Income	\$450,381	2.17%



balance sheet summary

Fiscal Years ending June 30 th	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Current Assets	\$ 3,680	\$4,475	\$4,943	\$7,883	\$2,338
Property & Equipment	\$ 9,249	\$9,524	\$9,349	\$6,223	\$698
Other Assets	\$ 7,312	\$7,228	\$7,094	\$6,967	\$153
Total Assets	\$20,242	\$21,227	\$21,386	\$21,073	\$3,189

Current Liabilities	\$ 1,375	\$1,701	\$1,560	\$1,743	\$1,017
Long Term Debt	\$ 14,527	\$15,608	\$16,414	\$16,881	\$350
Total Liabilities	\$15,902	\$17,309	\$17,974	\$18,624	\$1,367
Membership Capital	\$ 898	\$832	\$761	\$698	\$661
Patronage Dividends Retained	\$ 2,322	\$1,939	\$1,538	\$1,019	\$653
Retained Earnings	\$ 1,118	\$1,147	\$1,113	\$732	\$508
Total Owner's Equity	\$4,338	\$3,918	\$3,412	\$2,449	\$1,822

Total Liabilities & Owners' Equity	\$20,242	\$21,227	\$21,386	\$21,073	\$3,189
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**All numbers displayed in thousands*

< Pictured: Noah Elbers, Orchard Hill Breadworks, Alstead, NH

profitable growth achieved
by Frank Bewersdorff, Finance Manager

Our Co-op successfully concluded the fiscal year 2023 with favorable growth and positive financial outcomes. Total sales reached \$20,713,267, marking an 8% increase compared to the previous year. We exceeded our budgeted sales goal by 1.63%.

Customers spent an average of \$40.58 per transaction, a 1.2% increase over FY22. When accounting for an annual 5.7% increase in food prices as reported by the USDA, the inflation-adjusted average purchase decreased to \$38.39. Shopper visits substantially increased from 478,338 in FY 2022 to 510,329 in FY 2023, a robust 6.7% rise. That’s about 2,665 more shoppers per month. With the completion of our expansion, we are positioned well to continue to welcome more customers into our store.

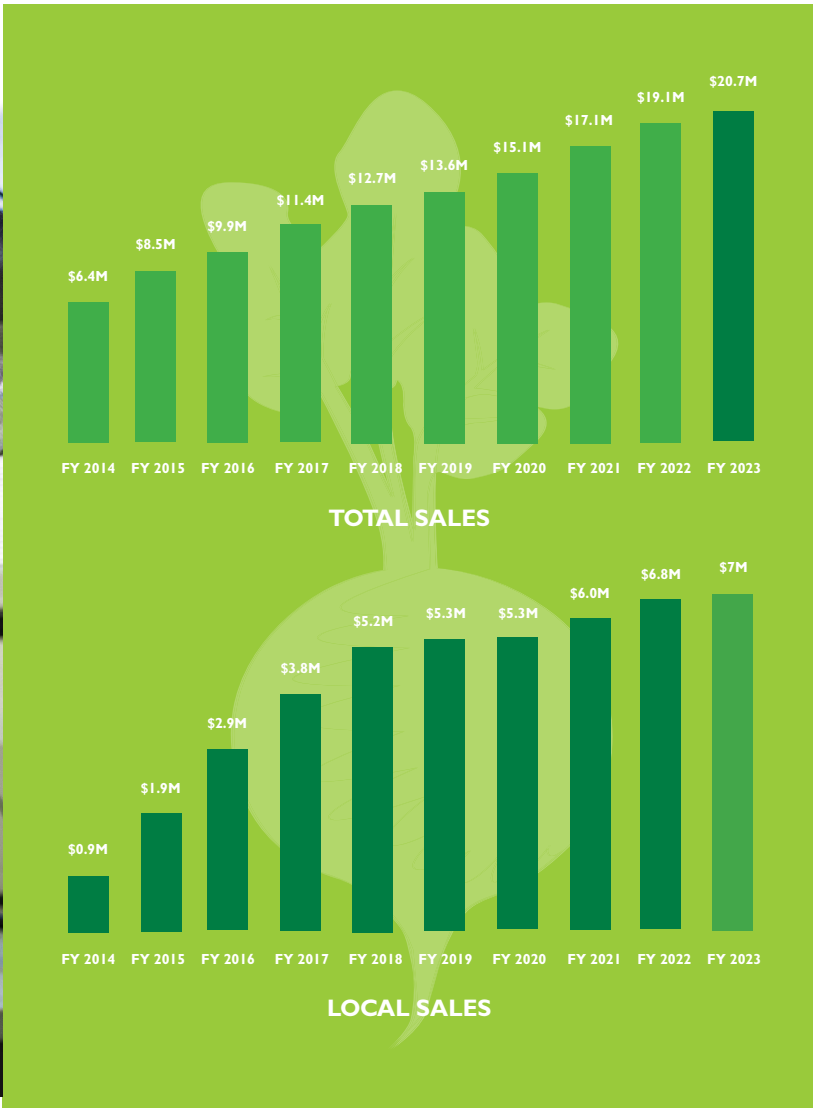
Our Gross Profit Margin remained steady at 37.55%, resulting in a Gross Profit of \$7,778,844 (calculated as Sales minus Cost of Goods Sold). A separate page in this report provides a summary of the Income Statement, explaining how we allocated these margin dollars. After covering all our financial obligations and

setting aside funds for taxes, we achieved a Net Income of \$450,381, which accounts for 2.17% of our Sales and surpasses our budget projections.

In October 2022, we made an \$800,000 principal payment on our primary loan. This reduced the interest paid during FY23. Moreover, we were able to invest some of our cash in Certificates of Deposit (CDs) and US Treasuries, which yielded returns exceeding 4%, contributing to additional income. Our balance sheet remains robust, and our key financial ratios indicate sound financial health.

In light of these better-than-anticipated results, the Board has authorized a patronage refund of \$95,800. These refunds will be distributed in early October through charge accounts that can be utilized for purchases at our Co-op. The patronage refund for individual members will be based on their total purchases during FY 2023.

> Pictured: Kevin Dremel, Jack’s Crackers, Keene, NH





8%

SALES GROWTH THIS FISCAL YEAR

\$96K

TO BE RETURNED AS PATRONAGE REFUNDS

53KwH

ELECTRICITY GENERATED FROM SOLAR ARRAY



advancing sustainability

by Megan Lafaso Hercher, *Marketing Manager*

We've achieved substantial progress on our sustainability initiatives this year, from our shift towards compostable packaging to our impactful collaborations with Monadnock Sustainability Hub and ReVision Energy. These partnerships are set to pioneer the introduction of the Monadnock Region's inaugural public electric vehicle fast charging stations, marking a significant milestone.

Compostable Packaging & Waste Diversion

We have successfully transitioned our deli, bulk, and produce Grab & Go containers from recyclable plastic to compostable packaging. To easily spot these eco-friendly containers, look for those with raised tops, accompanied by clear signs on the shelves indicating their compostable nature. The best part is that these containers can be composted in-store at our café waste station. For those seeking a home composting option in Keene, we recommend Elm City Compost. They have implemented a convenient pick-up system in our Co-op parking lot exclusively for subscribers to their composting service. After some challenges during COVID, we were excited this year to find a way to once again divert plastic waste that comes to our

store in the shipments of cases of product and around pallets. This significantly improved our diversion rate and reduced the waste we send to the landfill.

Electric Vehicles DC Fast Chargers

The installation of this project is scheduled to commence later this year, with the aim of having the stations fully operational by early 2024. We extend our gratitude to the Monadnock Sustainability Hub and ReVision Energy for their valuable partnership in this endeavor.

Food Production Facility

We've enhanced energy efficiency at our Food Production Facility with lighting and refrigeration upgrades, cutting energy consumption for our tenant. We've also improved the insulation while replacing the roof. Now, we're adding rooftop solar for on-site renewable energy. Thank you for supporting our green initiatives as we work towards a more sustainable future, making a positive environmental impact together.

< Pictured: new compostable plant-based packaging



our generous community

by Megan Lafaso Hercher, *Marketing Manager*

Co-op customers consistently demonstrate remarkable generosity. Over the past year, we, as a community, have collectively contributed \$75,000 to support 84 different community organizations. As a business that is both owned and operated by the community, our commitment to giving back goes above and beyond that of your typical grocery store, accounting for a more significant share of our revenue.

During last fiscal year, our Co-op allocated the month of June to support four community organizations dedicated to promoting Diversity, Equity, and Inclusion. These organizations were The American Independent Business Alliance, The Daily Good, Keene Pride, and The Monadnock Diversity, Equity, Inclusion & Belonging Coalition. In June, our community collectively contributed \$4,753 through the Round It Up program to aid these important initiatives.

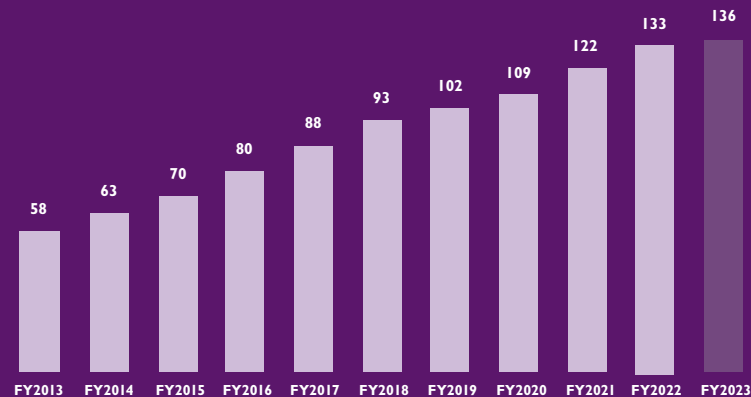
Your support fuels numerous classes, gatherings, and over 100 outreach events annually, fostering vital community bonds that transcend our cooperative's walls.

< Pictured: Green Up Keene Volunteers, Kathy Collinsworth, Carolyn Crane, Sandy Hamm, Amelie Gooding, Susan & Peter Lefferts, Aubrey Saxton

ROUND IT UP DONATIONS JULY 2022 – JUNE 2023

Farm Fund	\$6,174.86
Food Connects	\$4,893.00
NOFA-NH	\$4,401.74
Co-op Community Fund	\$3,317.72
CornucopiaProject	\$3,892.94
The Community Kitchen ..	\$5,474.03
Farm Fund	\$4,102.04
Farm Fund	\$3,352.40
MFCC	\$3,954.08
SCS	\$4,571.72
Farm Fund	\$5,130.51
Farm Fund	\$361.23
AMIBA	\$1162.62
The Daily Good	\$1169.47
Keene Pride	\$1347.96
MDEIB	\$1073.29

TOTAL: \$54,380.21



OUR GROWING STAFF



2%

INCREASE IN STAFF FROM FY2022

\$54K

PAID TO STAFF AS GAIN SHARE

improved pay rates, benefits & staff satisfaction

by Sue Ells, *Human Resources Manager*

We are grateful for our staff and all they do to make our Co-op a great success in our community. Our winter party, wellness workshops, tie dye t-shirts, and a summer picnic were among a few of the many ways we appreciated staff during the year.

As we do each year, we strive to improve our pay rates and this year was no exception. In August of 2022 we increased our base wage by a dollar to \$15/hour and in the process, we provided pay rate adjustments to most of the staff based on their longevity, totaling over \$150K. More recently in September 2023, we repeated the process and raised our base wage to \$16/hour.

Gain Share is a form of profit sharing that we provide to staff based on our Co-op's performance to budget. Gain Share bonuses totaled \$53,846.45 and were paid based on hours worked. Staff who were employed the entire year earned approximately 28¢ per hour above their regular wage thanks to the Gain Share.

We recently conducted our 6th biennial Staff Satisfaction

Survey. This year's survey yielded remarkably positive results, surpassing previous staff surveys in terms of satisfaction. We are grateful to our management team and staff members who have actively contributed to fostering a meaningful and participatory work culture. Staff engagement levels were exceptionally high, with our scores surpassing the average among the Co-op database when analyzing the Engagement Index. The questions pertaining to Supervision received the highest scores, particularly those relating to the encouragement of idea-sharing, suggestions, and concerns by supervisors. These outcomes exemplify the exceptional qualities of our management team and their unwavering support and concern for our staff members.

Moreover, the overall job satisfaction scores were impressively high, which is undoubtedly a positive outcome. In fact, one of our staff members expressed in a comment, "The Co-op is the BEST place to work – in our town, our region, our state, our country. The BEST." This sentiment reflects our admiration and appreciation for our staff, as we truly believe they are the "BEST."

< Pictured Bottom: Kaity Tillson. Pictured Top: Jim Daniels and Ellen Kearney. Pictured Back Cover: Bruce and Jenny Wooster, Picadilly Farm, Winchester, NH

