



natural foods market & deli

Annual Ends Report to Owners

GM statement:

In this report, please find the Global Ends Statement for Just Food Co-op as well as the operational definitions through which we strive to achieve those Ends. Each portion of the Ends Statement has an operational definition followed by the outcomes achieved.

The information below is true to the best of my knowledge and is the result of countless hours of staff time and effort. Without the passionate work of our staff, none of this would have been possible.

Global Ends Statement:

Just Food Co-op nourishes a Just, Healthy, and Sustainable Community

- **Justice** – We strive for fairness in all our relationships in the community and throughout the supply chain.
- **Health** – We provide healthy, sustainably produced products, and we work to strengthen our local food shed through ongoing support and partnerships.
- **Sustainability** – We work to build a resilient social, economic and ecological environment in our community and beyond.
- **Education** – We are a community resource for education and information about healthy, sustainable food and lifestyle.

We do this in context of being a financially viable, member-owned cooperative business.

Operational Definition:

- Access to healthy, locally grown, fresh, affordable and culturally appropriate food is a basic human right.
 - Living wage jobs for all food system workers (farmers, restaurant, food service, food retail, food production, etc.) is the first step toward a fair and equitable society.
 - Communities have the right to grow, sell, and consume their own locally produced food.
 - A sustainable food system is built upon a cooperative network that seeks to enhance a community's environmental, economic, and social well-being.
-

Justice – We strive for fairness in all our relationships in the community and throughout the supply chain.

Justice Operational Definition:

- **Fairness** – Having or exhibiting a disposition that is free of favoritism or bias; being impartial and/or consistent with rules, logic, or ethics; and/or being equitable to all parties.
- **Community / Supply Chain** – Farmers, value added vendors, distributors and suppliers: JFC partners with those who share our values of food justice, health, care for community and sustainability. Communications are direct to foster the relationships. Costs are negotiated to be mutually equitable. Product sourcing is done in accordance with the Product Policy.
- **Employees** – JFC Staff are offered livable wages and benefits with the goal of JFC being an employer of choice. Staff have the opportunity to earn merit based wage increases annually and all benefits are distributed equitably. Staff are treated fairly and in accordance with all appropriate labor laws.
- **End consumers / Greater JFC Community** – JFC Strives to achieve food justice with end consumers and the greater community by being accessible, affordable, equitable, and charitable. JFC is accessible to both members and non-members. Cooperative ownership is open to all.

Justice:

- **Fairness** – Just Food treats all suppliers and distributors equally in regard to ordering product, pricing, merchandising and payment of invoices. We make buying decisions based on data and trends in the market place, with concern for the quality and price of the product. All farmers, vendors and brokers are given equal opportunity to meet with buyers and department managers to showcase their goods. We do not restrict the number of farmers or distributors we deal with based on relationships with other producers. We select product to carry in the store based solely on the item's ability to meet the needs of our customers. Items are discontinued based on sales data and overall product mix.

- **Community/Supply Chain** – Just Food carried product from 16 co-operatively owned businesses in FY 2018. Some of these included Equal Exchange, Organic Valley, Simply Organic, and Peace Coffee. Just Food purchased \$1.71M from cooperatively owned businesses in FY2018.

- **Distributors** - Just Food works with the following distributors for over 70% of our goods:
 - Co-op Partners Warehouse (CPW) is a distributor used by JFC. CPW is owned by Twin Cities Co-op Partners (formerly The Wedge, and Linden Hills) and is a certified organic wholesale distributor. Just Food is an owner of TCCP and TCCP is an owner of JFC. In FY2018, we purchased \$1.3M from CPW.
 - Wisconsin Growers is a farmer co-op providing JFC with fresh produce from small family farms. It was founded in 2006 to help 20 families retain ownership of their farms. The produce is grown and harvested year round without the use of fossil fuels. Farmers take turns on the Board, deciding what to plant and how to reallocate labor to the farmers who need additional help. In FY2018, we purchased \$351,000 from Wisconsin Growers.
 - UNFI is our primary distributor for grocery and wellness products. In 2017, UNFI donated \$553,000 to non-profits supporting food access and healthy food choices. Warehouse employees at UNFI locations volunteered 8,800 hours at local non-profits. UNFI supported 1826 new farmers in transitioning to organic practices, impacting over 4,400,000 acres. UNFI diverts 81% of its waste from landfills, a 5% increase from the previous year. The warehouse JFC pulls from diverts 98% of its waste. This warehouse is also a LEED certified Gold Standard facility.

Our buyers and managers spend countless hours a week working directly with the majority of the suppliers. Staff relies on in-person or phone communication with nearly all of our local/regional growers, producers and suppliers allowing for close relationships and trust.

These relationships are what allow buyers to negotiate costs (where applicable) with producers and farmers so that we may pass along any savings to our members. These relationships also allow us to ensure the quality of our product as well as the conditions for workers.

FY2018	
Total active vendors ¹	214
Total active local vendors ²	95
New local vendors added ³	3

1. Vendors registering sales in FY2018
2. Local Vendors registering sales in FY2018
3. Retail vendors, excludes service vendors

- Product – Just Food offered 228 certified fair trade items for sale in FY2018. This is the first year this data has been tracked so no comparisons are available. Of note, all bananas sold at Just Food are fair trade certified and count as one item of the 228 total. One Friday we had a Flash Sale of bananas that were organic but not FTC, but this was a one-off and our regularly stocked bananas are FTC. Avocados that are fair trade certified are sold when available, but that sales data is intermingled with conventional avocados. An avocado is rung up as PLU 0811 (for example) whether it is FTC or not for cashier convenience (only when selling avocados of two different sizes are two PLU's used.) This is why sales figures were not reported and number of items was. Additional ways of tracking this information are being sought for more transparent reporting in the future.

An inspection of random items in each department (with a minimum of 5 items per 4 ft. merchandising section) revealed that 3 WIC items did not meet our product policy. The items are Jif peanut butter, La Perla tortillas (local), and Life cereal. These products are signed as WIC eligible, but their ingredients are not highlighted in order to create an inclusive and welcoming shopping experience. All other items inspected met the product policy. In the coming year, we will engage with our members, our buyers and our staff to determine if exceptions to our product policy are appropriate if we are carrying the items to meet the needs of an underserved population. This will help us satisfy the Ends definition of “culturally appropriate.”

In conducting the SNAP challenge for FY 2018's measure of affordability, it was determined that with proper meal planning, portion control, utilization of the bulk department, and use of leftovers it was very affordable to eat at the Co-op on SNAP benefits. Data on SNAP benefits shows that most food insecure households are single parents (typically mothers) with children. Therefore the full allotment for a family of four was used in planning, \$649. During the school year, school aged children on SNAP eat free breakfast and free lunch at school. The challenge was conducted by feeding all children breakfast at home, and feeding one additional person lunch besides the parent and accounting for free lunch at school for two children. By including one additional person for lunch and all children for breakfast, the variances in the school calendar are accounted for.

A sample breakfast includes a bowl of bran cereal with milk and orange juice, or a waffle topped with peanut butter and strawberries and a glass of milk or orange juice. Breakfast costs averaged \$.43 per serving. Lunch for the adults relies strictly on use of leftovers from dinner and costs were accounted for in the tally for dinner. Thus, lunch was “free” for the parent and children. Dinner options for the family include chicken gumbo with a side salad, chicken penne with broccoli, or black bean quesadillas with a side salad or vegetable serving. The average cost for dinner was \$1.36 per serving and the typical dinner recipe provided 6 servings, 4 for dinner and 2 for lunch. Snacks were also provided for in the plan with a modest amount set aside for homemade granola bars, fruit, and yogurt. The costs of the ingredients for the recipes used went up a total

of \$1.17 from last year. Some prices were lower than last year, but the cost of proteins went up. If a family chose to eat a vegetarian diet, the costs would have been relatively the same as last year.

Using the above figures for meals and relying on scratch cooking, it is possible to feed a family of 4 healthy meals for \$232 a month, well below the allotment of \$649. This figure is up approximately \$2 from LY. Most families on SNAP do not receive the full benefit of \$649, which is reserved for families with no verifiable income whatsoever. The average SNAP benefit is \$125 a month, which is intended to *supplement* the family's grocery budget only, not provide for all of their needs. To stay strictly within the \$125, a family would have to rely on free breakfast and lunch at school for the children, eliminate using the extra dinner portion at lunch and freeze it for future meals (using 4 frozen leftover portions to serve at dinner one night), and eliminate the snack budget. However, it is not unrealistic to think that a family of four could contribute \$25-\$27 a week out of pocket for food to arrive at the \$232.

With an investment of time for meal planning and food prep, and utilization of leftovers for affordability and sustainability, it is possible to shop at the Co-op on SNAP benefits and eat a nutritious meal. Meal planning ideas are readily available on social media sites, such as Pinterest, but do require a time investment to prep. However, many food insecure households work multiple jobs, work shift work, rely on public transportation to and from work and grocery stores, struggle with child care and may not have the luxury of time for food prep. Food insecure homes sometimes rely on convenience foods, which are calorie high and nutrient poor, in order to save time.

Reminder: SNAP benefits do not allow for the purchase of personal hygiene items, paper products, or laundry detergent. It is important that the co-op continue to expand the Basics program to account for families on a strict budget being able to afford these items as well.

For a household to transition to eating on the meal plan used to determine affordability, education on healthy choices, meal prep, and shopping on a budget would need to be offered. The co-op provides the classes that meet these needs! However, time spent meal prepping is time that cannot be spent at second, or third jobs, etc.

In FY 2018, our shoppers spent \$28,608 in SNAP benefits at the co-op and \$1609 in WIC. The SNAP total is down from LY's \$35,000 mark. This could be due to the decrease in unemployment in Minnesota. However, I would caution us not to rely on that being the cause and strongly urge us to continue our work to ensure the Co-op is affordable for everyone.

This year, JFC began a formal pricing strategy using a variable margin philosophy. This means that some strategic items were reduced in price to allow for faster movement (turns) and an increase in overall margin dollars. Less concern over margin percentages

and more concern over margin dollars is the way to ensure more items are affordable for the consumer, while also being fiscally responsible. Jeremy, our Pricing Coordinator, spent time delving into this methodology with the assistance of NCG's online pricing modules. Prices were lowered on items to which consumers are most price sensitive according to several studies commissioned by NCG and other grocery retailers. These items included single serve yogurt, frozen potatoes, cookies, and frozen pizzas. Our study of the movement of these items over the course of the year shows that customers are now more inclined to purchase these items in their regular shopping trips and find less of a need to hoard items when they go on sale.

We were able to increase sales of the 76 items included in our price drop about a case per week over the previous year. Sales of these items dropped during the time they were on Co-op Deals, showing that the incentive to stock up when an item is on sale is decreasing. All items with a price reduction met or exceeded the break-even threshold by the end of the year. Our best example is Brown Cow yogurt. The price was reduced to remain competitive in our market and sales increased by 48 units a week, far outpacing the additional 15 units we needed to move in order to make the same margin dollars as the year prior.

- **Employees** - Just Food employed 57 staff members with 57% considered full-time with the option of receiving healthcare benefits. For FY 2018, our turnover rate was approximately 27%, with almost all of that turnover in the Level 1 positions (stocker, cashier, and cook.) The national median retail turnover rate for part time employees was 64% in 2017 (our FY2018) and is among the top 5 industries with the highest turnover. Grocery store turnover is even higher, often approaching 100%, with most turnover in the cashier and stocker positions. While we are very typical in how our turnover breaks out, and below average (which is good!) in our turnover rate for the industry, it is important to remain vigilant and continue to improve our pay, benefits and working conditions for all staff.

JFC spent approximately \$1.7M in wages, benefits, staff discounts and amenities during FY2018. This number remained consistent with the previous year's spending. All employees at Just Food make a livable wage. 82% of staff make an hourly rate greater than livable wage. Just Food pays 90% of the employee health care premium and the employee pays 10%. 25% of sales dollars are spent on staff wages and benefits.

In March, eligible staff were given annual evaluation merit-based raises. Merit is based on a scoring system (measuring each position equally) in which an individual's performance is judged, and progress toward agreed upon goals is rated. Employees are awarded raises based on the quality of their work.

Staff were offered benefits that are consistent throughout the organization, based on policy. All staff were offered a 20% discount on product, accrued Paid Time Off, and

were paid double time for working holidays. Benefits vary based on full or part-time status for medical and closed holiday pay, but remained consistent within each status.

All employees were eligible for Profit and Gain Share bonuses when applicable. For FY2018, Just Food paid out Gainshare, but not profit sharing. Profit sharing is only paid out when net income is over 2% and in FY2018 our net income was .95%.

From Thanksgiving of 2017 through the first week of January 2018, all Co-op staff and their families were invited to go to the YMCA as guests of the co-op. In partnership with the YMCA, we extended this benefit to help staff relieve stress during the busy holiday season. The Co-op paid the guest rate for staff who took advantage of this opportunity. As we grow, we may pursue adding membership to the YMCA as a benefit for all staff.

During the busiest week of the year, leading up to Thanksgiving, the Co-op provided lunch and dinner to all staff working on the Tuesday and Wednesday before the holiday. Pizzas and salad from B&L's were provided on Tuesday and on Wednesday Maria's catered a taco bar. The community room is transformed into a relaxation room, with meals, snacks, puzzles, Legos, coloring books, and other assorted treats for staff to enjoy. This helps staff release stress and also serves as a show of appreciation for all of their hard work and commitment to excellent customer service.

In January of 2018 Just Food held our annual Staff Appreciation party at Jesse James Lanes. Staff were invited to bring their family and enjoy a night of bowling, Maria's tacos, and camaraderie. Door prizes were provided by our vendors and staff were eligible to win by simply dropping a ticket in a bowl. This evening was provided at no cost to the employee and the store closed 2 hours early to accommodate those who wanted to attend.

Employees are given several avenues to participate in and learn about the business. Open Book Management meetings occur every Tuesday at 1:00pm. Any/all staff may attend and every attendee is paid for their time. These meetings consist of a business review – each department speaks about their achieved results in sales and labor as well as upcoming sales or new product offerings.

Staff teams allow for a more active role in areas of personal interest across the organization. Just Food's current teams are Green Team (sustainability), Safety Team, and Open Book Management team. Generally speaking, one person per department attends a team meeting. However attendance is not limited to only one representative – any interested employee may attend.

Expansion Update Sessions have been offered three times thus far for interested employees to attend and learn about our progress. The first session was titled "Hopes and Dreams" and asked for input on what staff wanted to see in the expanded store. The second session focused on the budget and financing, and the third session introduced the main 3 contractors (architect, GC, and interior design) and provided an

update on our progress. Staff were provided an opportunity to give feedback on the store planning drawing, and many provided valuable insight! As expansion continues, additional sessions will be held for staff to remain informed and also to provide feedback. Additional information about expansion can be found on the Expansion Update bulletin board in the Resource hallway. This board is updated weekly with the tasks I have completed during the week and what I expect to complete in the coming week. All expansion related drawings and photos are posted there as well.

- **Greater JFC Community/Consumers** - The Co-op fosters its relationship with consumers through excellent customer service, being knowledgeable and providing resources for healthful living. We provide a local gathering space for members and promote social engagement within the store through our seating area, store events and classes. We ensure fair prices through the use of a pricing structure based on margin goals for each department. Regular price comparisons (comp shops) are performed, during which we audit selected product and pricing compared to our competitors. Generally, comparable products are less expensive at the Co-op, and often our organic produce is comparable to or less than our competitors' conventional offerings. Aside from discounts and services offered as member benefits, members and non-members are treated equally with no distinction.

We respond to customer feedback submitted in writing, via our website, social media, comment card or in person, and in a manner that is consistent based on its gravity, without regard to member status. Suggestions and requests for product are weighted differently from general concerns (not all product suggestions are viable options.) However, all suggestions, comments and concerns are logged and responded to in a timely manner.

Customer service is a key component of all staff trainings. Training dollars and other resources are budgeted each year and utilized as opportunities arise and business needs change. Each member of staff at the buyer level (Level 3) and above attends one food show or other out of store training annually. Several members of staff (typically department managers and above) attend more than one event per year. Wellness staff regularly attend out of store trainings and take the time to meet with Co-op staff and share the knowledge gained. These opportunities allow us to offer the best products to our customers as well as provide the best service in town. Specific information about trainings attended can be found in the Education portion of this report.

Co-op staff visited a total of 12 different co-ops last year, both local and while at conferences. Some of the co-ops visited included Durham Food Co-Op, Food Front Co-op and People's Food Co-op in Portland, PCC in Seattle, and Ocean Beach People's Organic Food Market in San Diego.

- **Community** - The Co-op's outreach programs are available to all secular, non-profit programs, community partners and like-minded organizations. Last year, the Co-op supported many community organizations with either product donations, cash, or both.

Just Food sponsored Defeat of Jesse James Days, sponsored a Defeat Ambassador, the Cannon River Watershed Film Festival, Growing up Healthy, Bridgewater Apple and a Book event, the Dundas Dome, the YMCA (final payment on a 5 year commitment), Paradise Center for the Arts Festival, YMCA Healthy Kids Day, Winter Walk, Earth Day celebration, Turkey Trot of Faribault, Turkey Trot of Northfield, National Fire Safety Council Camp, Taste Tour of Northfield, and the Co-op Farm Tour.

The staff at the Co-op participated in the College City Beverage Employee Health fair, Cannon River STEM School Earth Day fair, YMCA Healthy Kids Day, and the Taste of Northfield.

JFC provides weekly donations of food to The Key and Greenvale Community School. This food is not culled or expired food, but rather food purchased specifically for this purpose. As food expires or is culled, if there is quantity that allows, the food is distributed to these community partners in lieu of taking it to the food shelf.

The Co-op offers employment to working members of Epic Enterprise, a social work agency located in Dundas. For FY2018 we supported a full-time team (5 hours per day) of three members, five days per week to do various tasks, such as light housekeeping and food repackaging.

Health – We provide healthy, sustainably produced products, and we work to strengthen our local food shed through ongoing support and partnerships.

Health Definition:

- Healthy and sustainably produced products are defined by the product policy which instructs management and buyers to guarantee that products are fresh, in season, minimally packaged, reasonably priced, and produced by a business with sound ethical practices.
- Preferred criteria for selection will include: local production, organic certification, fair trade certified, and sustainable production practices. Products offered at JFC must also be free of artificial color, flavors or preservatives; free of artificial or chemical sweeteners; free of trans-fats and/or hydrogenated oils; and free of high fructose corn syrup.
- Meat and dairy products must be free of artificial growth hormones and antibiotics and be produced with cage free conditions and treated humanely.

- Products produced by cooperative business will also receive preferential purchasing consideration.
- Community Sponsored Agriculture will also be supported by JFC, with the Co-op serving as a distribution point for CSA farmers and consumers.

Health:

A random spot check of products for adherence to the Product Policy was reported in the Justice section of the Ends.

Reporting of cooperative businesses that the Co-op supports was reported in the Justice section of the Ends.

The Marketing and Community Relations Manager is responsible for both marketing the business and also providing educational opportunities for our customers. The following educational opportunities, or in store events were sponsored or conducted by JFC in FY2018:

6-Jul-17	Sunrise Biscuits	In store ed
8-Jul-17	Grilling and Chilling Sample Day	Event
13-Jul-17	Three Twins Ice Cream	In store ed
12-Jul-17	Heidi' Clubhouse meeting	Sherri and Gina - wellness education – sponsored event
15-Jul-17	Eat Local Farm Tour	Sponsored event, promoted event
22-Jul-17	Relieve Stress and Anxiety	In store class – 6 attended
8-Aug-17	Northfield Promise Fair	Sponsored event
17-Aug-17	Back to School	Cancelled - no registration
25-Aug-17	Van's Waffles	In store ed
26-Aug-17	National Dog Day	Passive treat sample for furry friends
10-Sep-17	DJJD Parade	Event - handed out local apples
14-Sep-17	Endangered Species	In store ed
15-Sep-17	Flavor Temptations	Vendor in store education
16-Sep-17	Sample Day	Local and fun vendors in store
16-Sep-17	Health Homes/Families	Sponsored event - class at the library/giveaway
16-Sep-17	Flax 4Life Muffins	In store ed
28-Sep-17	Chia Fresca	In store ed
5-Oct-17	Equal Exchange	In store ed
7-Oct-17	Sample Saturday	In store ed, event
7-Oct-17	Harvest Fest	Event
12-Oct-17	Baby Carrots/Drew's dressing	In store ed
14-Oct-17	Vegan Sample Day	In store ed, event

26-Oct-17	Bee Shed Honey	In store ed
26-Oct-17	Rotary Presentation	Event -Sherri - what is a co-op, who are we
28-Oct-17	Wellness Fair	Event -Local businesses in store
31-Oct-17	Sertoma Club meeting	Event - Sherri - what is a co-op, who are we
31-Oct-17	Halloween Treat	In store ed, event
9-Nov-17	Bee Shed Honey	In store ed
11-Nov-17	Holiday Sample Day	In store ed, event
11-Nov	Turkey Trot	Sponsored - Provided Granola bars
16-Nov-17	Wellness Third Thursday	Event - 5% off day
16-Nov-17	Earth Balance/Tofurkey	In store ed -Alternative Tday Dinners
18-Nov-17	Fancy Cheese/Meat Sample Day	Event – In store ed - Holiday entertaining ramped up!
20-Nov-17	Turkey Pick up Day!	Event
30-Nov-17	Flackers/St/. Paul Cream cheese	In store ed, Local vendor
December 1-2	Feast Festival	Sponsor
4-Dec-17	Northfield Composting	In store ed
7-Dec-17	Wholesome Frosting/MiDel Cookies	In store ed
9-Dec-17	Sample Saturday	In store ed, event
10-Dec-17	Northfield Composting	In store ed
13-Dec-17	Fill it Fresh	Event
14-Dec-17	Sosi's Dip on New French	In store ed - Local
15-Dec-17	JFC Birthday	EVENT! CAKE!!!
19-Dec-17	Dancing Deer Cookies	In store ed
21-Dec-17	Sample Saturday	In store ed, event
4-Jan-18	Grandma's Gourmet/St. Paul bagels	In store ed - Local local!
11-Jan-18	Gut Health with Noel Aldrich	Sponsored - held at Library
13-Jan-18	Sample Saturday	In store ed, event
13-Jan-18	Expansion Exchange	In store ed -Sherri
15-Jan-18	College City Bev Health Fair	Event – Steph and Lindsay
16-Jan-18	Expansion Exchange	In store ed - Sherri
17-Jan-18	Just Coffee	In store ed
18-Jan-18	Wellness Third Thursday	In store ed, event
18-Jan-18	Incredible Bulk Sale	In store ed, event
18-Jan-18	Fill it Fresh	In store ed, event
30-Jan-18	Nancy's Kefir	In store ed

31-Jan-18	Nancy's chia pudding	In store ed
9-Feb-18	Table 5 pizza	In store ed
10-Feb-18	Sample Saturday	In store ed, event
12-Feb-18	SEED, Untold Story	Event, Sponsor - Val and Steph panelists
14-Feb-18	Fill it fresh	In store ed, event
15-Feb-18	Wellness Third Thursday	In store ed, event
15-Feb-18	Divina Fig Spread	In store ed
15-Feb-18	Wish Garden	In store ed
21-Feb-18	CRWP Film Fest	Event, Sponsor - Lindsay and Steve A - provided food/promoted cap camp
22-Feb-18	Evan Healy	In store ed, Event - Local - vendor
22-Feb-18	Honey Mama's	In store ed
24-Feb-18	Can't Eat Wheat Group	Event, Sponsor - Presented on GF Products (Val and Steph
1-Mar-18	Launch Community Discount Program	Event
1-Mar-18	Birch Benders	In store ed
3-Mar-18	CSA Day	In store ed - Hosted CSA farmers in store
3-Mar-18	Prairie Creek	Event, Sponsor - Sponsor meal for auction fundraiser
8-Mar-18	Clem's Popcorn/Green Valley Butter	In store ed
8-Mar-18	Grapes and Hops	Event, Sponsor - Northfield Historical Society
9-Mar-18	Wish Garden	In store ed
10-Mar-18	Sample Saturday	In store ed, event
14-Mar-18	Honey Mama's	In store ed
14-Mar-18	Fill it Fresh	In store ed, event
15-Mar-18	Wellness Third Thursday	In store ed, event
15-Mar-18	Simply Delish	In store ed
17-Mar-18	Northfield Hospital	Sponsor - Tabling: Colon Health Info
22-Mar-18	Arrowhead mills stuffing	In store ed
29-Mar-18	Quaker Bakery, Pesto, Prosciutto	In store ed
3-Apr-18	Earth Day	Event, Sponsored – tabled
5-Apr-18	ZaZa's pasta	In store event – local
11-Apr-18	Fill it fresh	In store ed, event
14-Apr-18	Sample Saturday	Cancelled - Weather...

16-Apr-18	Earth Day - Stem School	Event
19-Apr-18	Wellness Third Thursday	In store ed, event
19-Apr-18	Salad Girl	In store ed
19-Apr-18	Eating the Rainbow with Noel	Sponsor - Hosted at the library
19-Apr-18	Healthy Kids Day	Event, Sponsored - Tabled at event
8-May-18	Honey Mama's	In store ed
9-May-18	Fill it Fresh	In store ed, event
10-May	Daiya Cheesecake	In store ed
12-May-18	Sample Saturday	In store ed, event
17-May-18	Wellness Third Thursday	In store ed, event
17-May-18	Wine Club	Sponsored
17-May-18	Organic Sunshine Burger	In store ed
17-May-18	Greenvale 5K	Sponsored - Provided apples to the runners
May 23-28	PalletPalooza	Event
31-May	Field Roast	In store ed
7-Jun-18	Smiling Hara Hempeh	In store ed
9-Jun-18	Sample Saturday	In store ed, event
13-Jun-18	Fill it Fresh	In store ed, event
15-Jun-18	HCI Event	Event, Sponsor
21-Jun-18	Northfield Taste Tour	Event, Sponsor
21-Jun-18	Dairy Days	Event - Photo booth, samples, fun times
21-Jun-18	Wellness Third Thursday	In store ed, event
23-Jun-18	Y Kids Tri	Sponsor - Provide fruit

To show our support for our farming community and strengthen the local food shed, the Co-op co-sponsors the southern Minnesota route for the Twin Cities Eat Local Farm Tour. The Co-op promotes our farmers' CSAs with an annual CSA Day where farmers set up in the Co-op and speak to shoppers about considering a CSA purchase. The co-op also devotes space for CSA's to drop off on-site for customer pick up.

We conduct regular price comparisons and find that our organic produce is often less expensive than the competition's conventional offerings.

Sustainability – We work to build a resilient social, economic, and ecological environment in our community and beyond.

Sustainability Operational Definition:

- JFC via purchasing, operations, employment, education, and community outreach will have a positive sustainable impact.
- Social sustainability: Equity, diversity, interconnectedness, quality of life, democracy and maturity.
- Economic sustainability: growth in sales, local purchasing, employment (wages and benefits) and financial viability.
- Ecological sustainability: reductions in operational waste and carbon outputs and control of utility consumption.

Sustainability:

Data below is provided based on year end financials/data.

Social:

The Co-op's numerous partnerships within the community, from outreach to sponsorships, create social sustainability within the community. In the past 12 months we have:

- Supported Epic Enterprise by contracting for more than 1,100 hours of job site work. Job descriptions for their staff are based around their social and physical limitations and are geared towards the goal of each member becoming independently employed in the community.
- Fulfilled a major pledge to the YMCA as part of a five-year total pledge.
- Sponsored community events such as the YMCA's Healthy Kids health fair, various company health fairs, and farmer's CSA day.
- Other community outreach and sponsorships/donations as reported in the Health portion of the Ends.

Economic:

The Co-op supports the economic sustainability of our community primarily through purchasing and employment, banking locally, as well as contracting services with local vendors. See data below.

114 new members joined the Co-op in 2018. While this number is down from the previous year's 177, it should be noted that we did not engage in a focused member drive campaign this year, as we have in the past. We anticipated a push with the launch of the capital campaign, but that date was pushed into FY2019. The average member drive produces approximately 50-60 new members.

In order to keep members engaged in the Co-op, Just Food offered the following opportunities to members in FY 2017:

- Monthly Coffee with the Board
- Comment cards available for use
- Annual meeting invitation for all members
- Weekly emails to all members who opted "in"
- Ability to run for open board seats

- Voting on ballot questions
- Weekly Member Specials
- Member Appreciation Days discounts
- Ability to attend monthly board meetings
- Free personal use of the Community Room
- 10% case discount on case orders

Purchasing:

In FY2018 approximately 24.88% of our total sales were for locally produced product. Of our \$6.7M in sales, over \$1.67M was product from local sources. This is an increase over the previous year's 23% and \$1.5M. The data clean up that we embarked on at the beginning of FY2018 helped us better track the information. Also, Sample Days have improved the producer-shopper interaction and increased sales of the local goods showcased during the monthly event. To further improve local sales, Val is creating a local program for packaged grocery, similar to the one he created for the produce department, which is widely used by other co-ops.

Other Local Services:

By contracting with local vendors for services, more money stays in our community. Just Food contracted locally for the following services in FY2018:

- HVAC: Quality Refrigeration
- Window Cleaning: Enders
- Cart Cleaning: PC Cart
- PC maintenance: Computer Integrated Technologies
- Banking: First National Bank of Northfield (primary checking) and Community Resource Bank (savings)
- Printing: By All Means Graphics, Graphic Mailbox, Engage Printing
- T shirts: Larson's Printing
- Janitorial and other: EPIC Enterprises
- Floor Cleaning and Waxing: Carriage City Cleaners
- Floor mats and uniforms: G & K Services
- Misc. hardware and tools: Arrow Ace Hardware (Ace Hardware is a co-op)
- Financial auditing: S.B. Budenske CPA
- Financial consulting: Jean Brose CPA
- Financial Services: Retail Financial Services of Plymouth, MN

Ecological:

The Co-op works to reduce its environmental impact through energy conservation, waste reduction, increasing recyclables and improving packaging choices.

In FY2018 the Co-op:

- Achieved customer bag re-use in excess of 51,000 bags, up from LY's 48,000.

- Brought to a local packaging store all packing peanuts and air packs collected from incoming shipments, estimated at 2-4 33-gallon trash bags per week.
- Allowed The Clothes Closet to utilize our cardboard compactor for all of their cardboard waste, allowing them to stop driving their recycling to a community drop-site.
- Produce Staff conducted annual farmer meetings where “Grower Profiles” are completed. These profiles cover farming methods, animal husbandry practices and other pertinent facts the farmer wishes to share. By gathering this information, the staff can better select items for sale, help market and sell the products.
- Provided trash receptacles in public and backroom areas marked “landfill, recycling, or compost” for easier division of trash. This resulted in only 9% of our total waste going to the landfill. 91% of our waste was recycled or composted.
- Reduced refrigerant replacement to only 4lbs. of refrigerant lost, compared to 22lbs. the previous year. Refrigerant loss is the primary way grocery stores impact carbon emissions and reducing our refrigerant replacement by 80% in one year is a tremendous achievement.

Education – We are a community resource for education and information about healthy, sustainable food and lifestyle.

Education Operational Definition:

- JFC provides resources, both active (classes and demonstrations) and passive (brochures, signage, social media posts, etc.) so that our community can make educated and informed purchasing decisions on health, food, and other choices and issues of sustainability and food justice.
- JFC will engage in community outreach to foster a dialogue about health, food and other choices and issues of sustainability and food justice.
- JFC will serve as the conduit of communication to connect our community with local farmers, value added vendors, and distributors/suppliers.

Education:

The Co-op provides a variety of resources for our community to be engaged in learning about health, sustainable food and lifestyle. The ComPost, in-store signage, brochures, information sharing via Facebook, Twitter, Instagram and the Just Food website, community events and Co-op sponsored classes are all ways the Co-op provides education to the community.

In FY2018, the Co-op:

- Saw web traffic of approximately 1,200 views monthly on our site
- Facebook page had a reach of more than 1,000 people daily

- Offered 112 educational opportunities or events open to members and non-members
- Held monthly sample days

The Co-op supports the education of staff and sent people to the following trainings and conferences in FY 2018:

- Convergence - NCG's Purchasing Conference – in FY2018 attended by Sherri, Steve C. and Gina. Buyers Delanie and Jess Jasper attended the trade show.
- Focus on Fresh – produce department training, Page and Leona
- Marketing Matters – marketing conference, Stephanie Aman and Jess Hutton
- Co+nect – finance and IT training, Sherri. Resource managers will rotate through in coming years.
- Spring Meeting and Fall Meeting for GM's - Sherri
- Human Resources annual conference – Lindsay Byhre
- CCMA – Sherri, Lindsay, Steph, and Val Critser. From the Board, Nola and Nancy attended.
- 5 Keys to GM Success - Sherri
- Strengthening the Board/GM Relationship – Sherri
- Leading Organizational Change – Sherri and Lindsay
- Store Manager Retreat – Val
- The Co-op asked all staff to attend a customer service training called “Delight and Make it Right!” facilitated by Lindsay. This training empowered all staff to do whatever they saw fit to “delight” a customer, or fix a bad situation by “making it right” without getting a manager.
- The Wellness department reports spending an average of 4-5 hours a month at trainings in the Cities, on webinars, or on conference calls. These trainings are crucial for staff in that department to be up to date with their product knowledge.
- Co-op staff visited a total of 12 different co-ops last year, both local and while at conferences. Some of the co-ops visited included Durham Food Co-op in North Carolina, Food Front Co-op and People's Food Co-op in Portland, PCC in Seattle, and Ocean Beach People's Organic Food Market in San Diego.

Stephanie Aman was chosen to be a speaker at CCMA along with Simply Voting, our online voting provider. The session was well attended and Stephanie in particular was voted a “Top CCMA Presenter” by attendees who rated their workshops. This speaking opportunity not only put Just Food in a favorable light within the cooperative community, but it provided a valuable service to co-ops considering online voting.

Global - We do this in context of being a financially viable, member-owned cooperative business.

Global Definition:

1. JFC operates as a for profit business, in accordance with published Bylaws and Cooperative Principles.
2. Financial viability will be attained through meeting costs associated with doing business and the ability to support the ENDS.
3. The Articles of Incorporation, Bylaws, Cooperative Principles and ENDS serve as the framework of Just Food's identity.

Global:

Just Food operates the business and conducts all business as a for-profit company. Certain sectors treat the coop as a non-profit in accordance with their own policies. Just Food will follow the cooperative principles, the Bylaws of this corporation, and the laws of the state of Minnesota and federal laws where applicable.

Financial Viability:

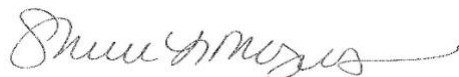
The Co-op has made all payables associated with the cost of doing business, including trade payables, notes and payroll; supported staff with livable wage and merit based raises; and supported our community through donations and engagement. The Co-op has no long term debt, no member loans and continues to keep a close eye on maintaining good financial health.

The Co-op ended FY2018 with net income of almost 1%. Since we have taken on expansion related expenses without yet raising any money from owners or taking on debt for this purpose, this is quite an accomplishment. With that consideration, it is my opinion that the net income achieved is quite strong.

Cooperative Identity:

The Co-op is in compliance, to the best of my knowledge, with its Articles, Bylaws and the Cooperative Principles. Ambiguity related to any of these is clarified through communication with the Board and/or our consultant(s), or our advisors.

Respectfully submitted,



Sherri Meyers
General Manager