



BRATTLEBORO FOOD CO-OP ANNUAL REPORT 2018





Board of Directors

Beth Neher, President of the Board

I would like to start my 2018 report by recognizing the contribution of so many to the Co-op: staff, for your commitment to a continually improving shopping experience; shareholders who joined this year; all of us who shop at the Co-op and participate in the classes and events that the Co-op offers; and my fellow board directors, for their time, knowledge and commitment. We have all contributed to improved cash flow and an improved end-of-the-year profit. Thank you so much.


There have been changes to Board processes that we feel strengthen our work. Because we were a small board in 2017, the number joining the board in December last year was significant. While we have had supports for new directors in place—active mentoring and required initial board training, for example—based on feedback, we have shifted our monitoring calendar to ensure greater understanding of what board monitoring involves and when it happens. Monitoring of more complex policies now happens later in the year when it is likely to be more meaning-

ful, and we are discussing how to use the annual board retreat to provide greater orientation and support to incoming directors. The more efficient and effective we are in bringing new directors into knowledgeable board service, the better we are able to serve you and the Co-op.

We have continued our careful focus on the Co-op's financial status, and it remains one of our key activities. We monitor the GM's work and through this, challenges faced, work in progress and successes achieved. The parking lot, shoplifting, local competition and staff vacancies have been challenges; improved cash flow, a reduced debt load and the number of people becoming shareholders have been successes. There continues to be focus on addressing shoppers' feedback, staff training, and offering a range of products so we can serve a more diverse community of shoppers as well as on our discount programs and understanding and deepening the Co-op's role as a community partner.

The Policies and Bylaws and Board Member Recruitment Candidate committees have worked hard. The Communication Committee has begun defining its work more clearly and is putting a process in place for outreach. I am hopeful that the work done this year will serve as a foundation for deepening our relationships with other organizations working to serve the Brattleboro community in the coming year.

There are changes to next year's board: Wesley Pittman is stepping down as is Kathy Carr, one of our Staff Directors. I want to thank each of them for their contribution to the board this year, and in Wesley's case, contributions over the past 3 years. Jerelyn Wilson will be running for a second 3-year term and I will be running for a final 3-year term. It is heartening that shareholders will have a wider choice of candidates this year. Thanks to everyone who is stepping forward.

I'm looking forward to seeing as many of you as possible at the Annual Party and Meeting on November 9. As always, please vote and please consider running for the board. 

Shareholder Owners





From the GM: The Year in Review

Sabine Rhyne, General Manager

What is the Brattleboro Food Co-op to you? As we planned this year's Annual Meeting, our discussions revolved around all of the ways in which your Co-op touches this community, whether by its staff, its customers, its producers, its community partners, and all the intersections therein. Few of us really know the breadth of our work, but when we stop to look closely, it boggles the mind.

And that is why it is so very important for our Co-op to thrive. If we were just here to provide groceries, that need would be met by someone, whether by another store or, these days, a cardboard/polystyrene box through the mail. But if we are here to generate good jobs that contribute to making a difference, well, that is a little more complicated. And if we are here to provide an outlet for hundreds of locally-made products and produce, that is also more challenging to replace. And if we are here to connect thousands

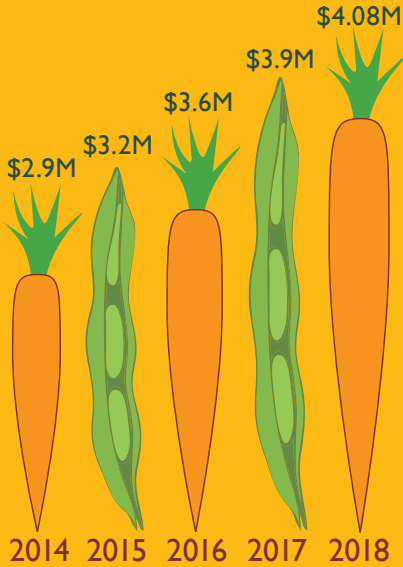
of interested members to their community non-profits who are contributing to the improvement of life in our town, then who will be that thread, if not the Co-op?

This fiscal year continued to challenge us in our efforts to meet the goals articulated by our Ends, but progress was made. We continue to work on prices and promotions, with the help of our vendors and distributors. You may have noticed that we are now integrating the monthly specials into the Food for Thought newsletter, which gets the specials into more homes than previously, which then may spawn more attention—and more store visits. We also were able to save a little money with this change, although managers have had to scramble a little more to get their deals worked out earlier in the month. We continue to weather changes in our industry, though we wonder what the future holds for relatively small independent operators, even when we band together as a cooperative

(continued on page 6)

5-YEAR

Sales of Local Products
by Fiscal Year



170

people are
employed by
the Co-op, full-
and part-time.

125

are Staff
Shareholders.

(continued from page 4)

entity, National Cooperative Grocers. We'll keep diligently pursuing good options to get products in the door.

We continue to pay attention to the broad spectrum, from the more affordable conventional options to the high-quality artisan options on our shelves, in order to meet the widely divergent needs of today's shopper. As we worked on changes in the store, such as the Bulk department, we heard loudly from those of you who frequent that department often about some of the changes that were made, and we modified some of the early decisions based on your feedback. Bulk sales in our Co-op have been declining for a few years, and we have been forced to change our approach as some products had been sitting longer than they should in their bins. Sales continue to be lackluster in the department, but quality is better.

Speaking of bulk purchasing, we continue to work on improving our waste-stream effects. This past year, we took full advantage of our conventional cooperative distributor's program of taking back plastic wrap used to wrap pallets in transit, as well as plastic bags from customers. I wish I could be more positive about this, but you have no doubt heard

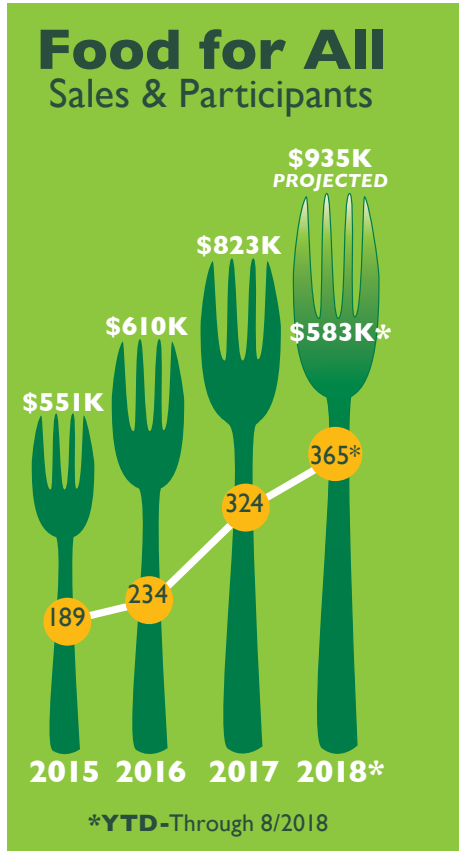
about the problem in plastics recycling made more critical with the recent decision by China to not take plastics. We are working on a variety of fronts to better understand what is happening both upstream and downstream, even while we take advantage of these current programs. We made compostable bags available for customers to use in the store, as an alternative to plastic bags; these bags are prone to composting themselves rather fast, so re-use is limited (I discovered this the hard way). We continue to encourage you to use your own container when possible, including re-using bags. In the produce department, we offer some very useful mesh bags for purchase that do a fantastic job with fresh produce. We have downsized our trash dumpster because our reduced waste meant that the dumpster was not being emptied very often, and that created other unpleasant issues. Although we enjoy a very good institutional composting program, we continue to look for diversion options for produce scraps in the deli kitchen, and with local livestock owners.

We continue to work on ourselves, to improve our skills in providing you with the best possible experi-

ence in our Co-op. We have sent lots of folks to trainings this year, from ServSafe food handling classes to supervisory trainings. We are working with other regional co-ops' human resource departments to share best practices in training, hoping to learn and adopt ideas from each other. Our staff continues to impress me with their constantly improving customer service skills and their willingness to work with each other to make our workplace better. Sadly, we lost two very valued staff members this year to their struggles, and their passing has made our workplace 'family' that much closer. We miss Ian and Sander, and send their families and friends thoughts and support often. We have also seen several longtime staff members challenged with serious illnesses, and continue to support them the best we can. Did you know that your Co-op has had a policy for many years whereby staff members can donate their earned sick time to others who are in need? It is one small way we can support each other.

Thank you for your support of your Co-op, in whatever way you express it. We thank our shareholder-lenders, who continue to exercise inordinate patience as we improve our results. We thank our industry

supporters and friends, like the Co-op Fund of New England, our regional co-ops, and CDS Cooperative. We appreciate our support from National Co-op Grocers and Neighboring Food Co-ops, and their support of climate initiatives, sustainability, and better purchasing options. We thank our community partners for working so hard and creatively with us to solve some of the downtown issues we all face. And we thank our shoppers, each and every day, with smiles, care, and a bit of hope for a better world. 🌱





Education & Outreach

Lizi Rosenberg, Education & Outreach Coordinator

This past year has been about nourishing the relationships with schools and organizations that my predecessors created, as well as creating new partnerships within the community, all in order to deepen our involvement with food education across all ages.

Our impact within the community continued to be impressive, with 150 lessons and 2,849 participants ranging in age from 2 to 103. Of these participants, 76% were kids, 22% were adults, and the rest were teens.

One of our main goals is to foster our strong connection to teachers and children. We delivered classes at Oak Grove, Green Street, Academy, Vernon, Guilford, Dummerston, Putney, The Career Center, BUHS, BAMS, Newbrook, and Leland & Gray schools. Whether visiting classrooms or hosting at our Co-op, it was a pleasure to facilitate kids' and adults' education in how food choices impact nutrition, health, farms, and cultures here and around the world.

We again hosted the International Business Class taught by Maribeth at BUHS, helping teens learn about cooperative, international and food business models.

The BUHS Spanish Club and Advanced Spanish class learned how to make traditional Mexican hot chocolate, paella and empanadas; all classes were taught in Spanish.

Our monthly kids' class "Fun Foods from Around the World" continued in its popularity. We learned about the cuisines and cultures of many countries, including Italy, Cyprus, El Salvador, Vietnam and Germany. Two exchange students studying at BUHS, Marie and Ciara, came to share their favorite family recipes.

We continued our work with local partners, including the Brattleboro Memorial Hospital with our fall "Eat Real Food" series, KidsPLAYce Story & Snack Hour, Big Brothers/Big Sisters of VT cooking classes, CCV healthy eating classes, Green Mountain Girls Camp, Brattle-

boro Farmers' Market apple tasting, Holton Home tastings, HCRS monthly classes, Food Connects Farm to School initiatives, and monthly classes with the Brattleboro Museum. We also began a collaboration with Brooks Memorial Library, teaching cooking classes there.

We co-hosted our first "cooking in Spanish" networking event with Express Fluency Language School.

The Warrior Connection held a cooking class in our community room, bringing our outreach efforts to veterans in our community.

We also partnered with two Northfield Mount Hermon School seniors to pilot a baking program in collaboration with Families First.

Thank you to the shareholders and volunteers who support the efforts of the Education and Outreach Department, to the kids and families in our Co-op community for their loyalty and engagement, to the organizations and businesses who view us as a partner and asset in their work, and to my teaching partners, who bring laughter and delight and make my days so rewarding. 🌱



2,849

**students
attended classes
at the Co-op, or
an area school.**

150

**lessons delivered
from July 2017 to
June 2018.**



Treasurer's Report

Richard Berkfield, Board of Directors

I am pleased to report continued financial success! You can dig into the data, but in an attempt to keep it simple I want to try using a garden analogy. Imagine putting a dollar value on your garden output and your labor.

- We grew more food (Sales) this year! \$21,214,628, an increase of 3.37% from last year.
- And it cost just a little bit more (Operating Expenses: garden labor and seeds, amendments, etc) but proportionally less than last year. \$7,771,050, an increase of 1.43% from last year.
- The bottom line: we made more “profit” (Net Income—after taxes and interest expense) from our time in the garden. \$58,456, an increase of 83% from last year.
- Finally, and with great enthusiasm, we have more food in the larder this year (improved our cash position by \$208,779, an increase of 56% from last year).

In summary, we are getting better at gardening! Despite the increased competition from woodchucks and other pests (online shopping, conventional grocery selling natural foods, economic challenges, etc.), our beneficial insects (management and staff—no offense) created a conducive environment for our plants (various departments) to thrive and bear fruit (serve our customers better).

Thanks to all our customers for continued shopping! And here is to another year ahead of great gardening! 🌱



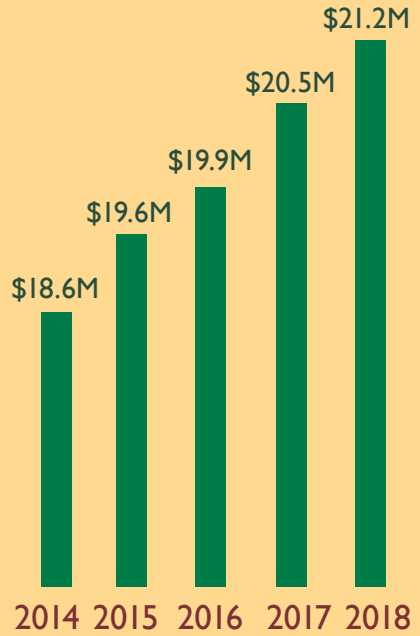
Operating Expenses

Fiscal Years 2014-2018



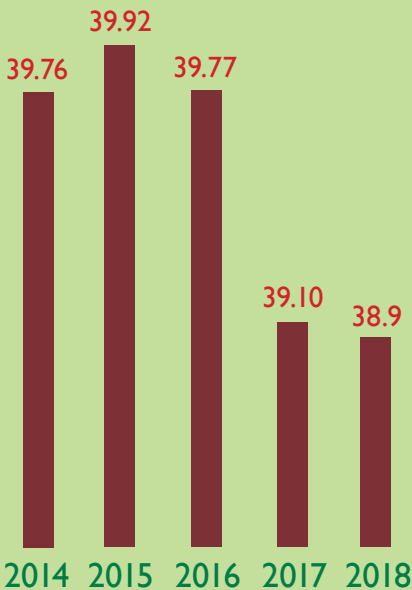
Sales

by Fiscal Year



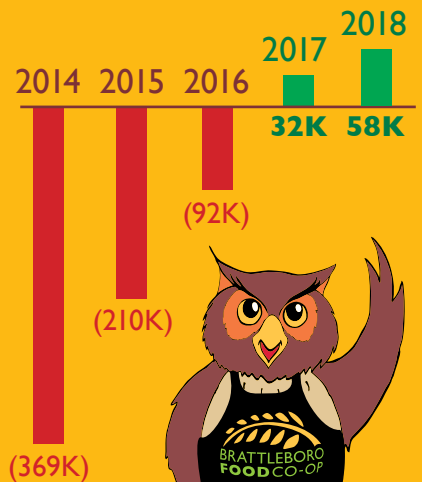
Gross Margin %

by Fiscal Year



Net Profit (Loss)

by Fiscal Year



BALANCE SHEET

ASSETS

Current Assets

Property and Equipment (net of depreciation)

Other Assets

Total Assets

LIABILITIES

Current Liabilities

Long-term Liabilities

Total Liabilities

Shareholders' Equity

Total Liabilities & Equity

STATEMENT OF PROFIT AND LOSS

Gross Sales

Cost of Goods Sold

Gross Profit

Operating Expenses (including member discounts)

Income from Operations

Other Income (net)

Interest Expense

Income (Loss) Before Taxes on Income

Income Tax (Expense)

NET INCOME (LOSS)

Statements of Shareholders' Equity

	Shareholder Shares	Donated Capital
Balance, June 25, 2017	\$640,016	\$11,330
Current Year Activity		
Net Increase in Shares	36,148	
Donated Capital		—
Net Income (Loss)		
Balance, June 24, 2018	\$676,164	\$11,330

Note: Amounts shown on this report reflect preliminary, internally produced numbers and expense classifications, which have yet to be reviewed by our external CPA and are subject to adjustments and deferred tax items that may be made as a result of that review.

Fiscal Year 2018

Fiscal Year 2017

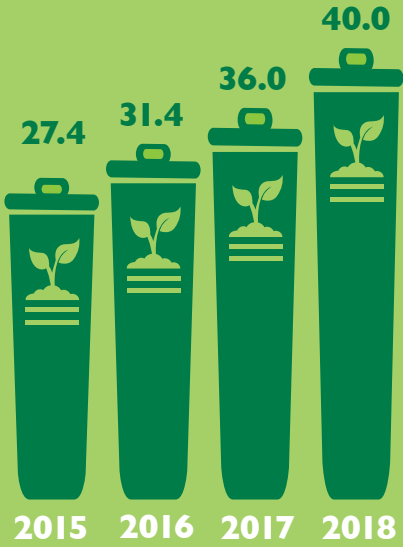
\$1,372,547	\$1,145,881
7,570,064	7,449,898
952,327	1,077,075
\$9,894,938	\$9,672,854
\$2,288,306	\$2,659,566
6,097,076	5,598,336
8,385,382	8,257,902
1,509,556	1,414,952
\$9,894,938	\$9,672,854
\$21,214,628	\$20,523,429
(12,962,914)	(12,500,130)
8,251,714	8,023,299
(7,771,050)	(7,661,786)
480,664	361,513
48,792	43,015
(357,889)	(312,889)
\$171,557	\$91,639
(113,101)	(59,750)
\$58,456	\$31,889



Retained Patronage	Retained Earnings	Total
\$167,367	\$596,239	\$1,414,952
		36,148
		—
	58,456	58,456
\$167,367	\$654,695	\$1,509,556

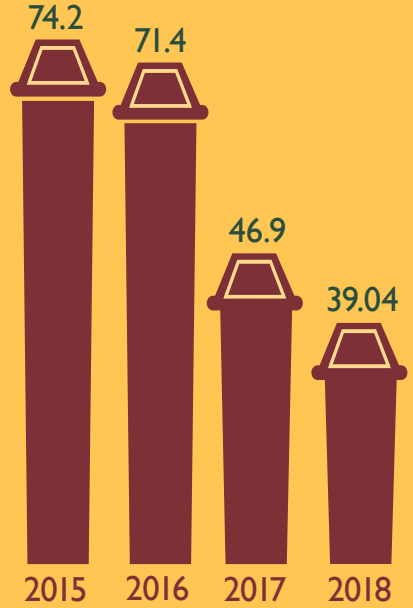
Compost

4-Year Total Graph
by Fiscal Year
in tons



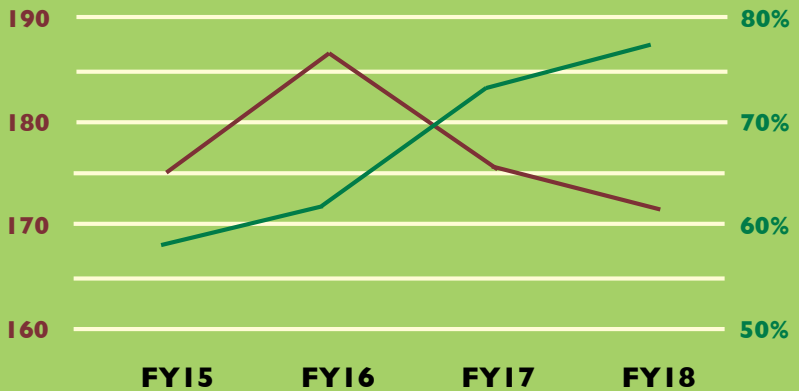
Landfill

4-Year Total Graph
by Fiscal Year
in tons



Total
tons of
waste

Percent
diverted from
landfill



VOTING

for the Brattleboro Food Co-op
**BOARD OF DIRECTORS
& BYLAW CHANGES**
starts on November 9th and
runs until November 25th @ 5pm.



Visit our website.



Click on the
voting email we send.



Submit a paper
ballot in store.

Annual Meeting



November 9th, 6 – 9 pm
New England Youth Theatre
Schedule of Events

6pm: Arrival, dinner, and mingling


7pm: Kids activities by NECCA

7pm: Business meeting

8:30 pm: Voting starts

8 – 9pm: Panel discussion on Co-op

Look for more details in store and on our website.



Brattleboro Food Co-op
2 Main Street
Brattleboro, VT 05301

PRSRT STD
US POSTAGE
PAID
FIVE MAPLES

Voting is from Nov. 9-Nov. 25 @5pm

✓ Don't Forget to Vote!