

~ MNFC Board of Directors ~



Ashar Nelson
E Middlebury



Michelle
McCauley
New Haven



Mary Gill
Middlebury



Ilaria Brancoli
Busdraghi
Middlebury



Tam Stewart
Goshen



Johanna Nichols
Cornwall



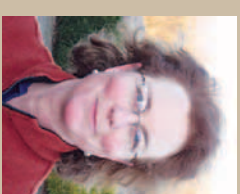
Kate Gridley
Middlebury



Kristin Bolton
Cornwall



Ross Conrad
Middlebury



Francisca Drexel
Weybridge



Jay Leshinsky
Middlebury



President's Report
by Ashar Nelson

Over the past year, the Co-op Board has continued the educational work we started last year, delving deeply into the study of our local food system, environmental issues and our carbon footprint. The Board's educational sessions were attended by many local farmers and producers, interested members and shoppers, and community members. The further we went with our studies, the more obvious it became that a vibrant local food system is key to our future.

It turns out that interest in local food is widespread, and growing. Why are people so interested in local foods? The answers are as varied as the people you ask, but several themes rise to the top. Some people just want to know the people who grow their food, and how and where the food was produced. For others, locally produced food represents healthy food. Many Vermonters see local food production as a way to connect with our agrarian roots and keep our land in farming. Local food production also strengthens the local economy by keeping our dollars circulating within this community. For some, local food represents food security, proactively developing robust systems in the face of looming global issues like peak oil and climate change. All of these reasons are united by one common result as well – a stronger community. Perhaps this focus on local foods can help explain the amazing sales growth at the Co-op this past year, despite lack-luster performance in both the Vermont and National economy.

Spring at the Co- op is a time for celebration and change. We are planning for our annual meeting and celebration to be held on the Middlebury Town Green, on June 5th. On the change front, Board member Johanna Nichols will be stepping down at the end of her term, as she retires and begins a new adventure. The Board will miss her wisdom and the attention she paid to issues of social justice.

After three terms, I too have decided to step down, to create some time and space for other endeavors. I am proud to have been able to contribute to this wonderful organization for these years, and I leave knowing that we have a forward-thinking Board of Directors, and strong and committed management/ leadership. and a talented staff.

Ashar Nelson



General Manager's Report
by Glenn Lower

Last year in the midst of recession, I surmised that with some belt tightening combined with the efforts of our talented staff and the support of 3,311 member-owner households, we would be able to face this challenge. We did surprisingly better than I expected: with 9.7 % sales growth. Staff did an amazing job! Member-owner support was wonderful. The store is busier than ever with sales cresting \$9 million for the year. We are seeing new faces every week!

Our emphasis on promoting Local continues to be one of the highest priorities for the Co-op. According to our estimates, 25% of total store sales come from some 175 Vermont vendors. The Co-op gave away \$27,247 in donations, including 6,812 pounds of food to the local food shelf and Community Suppers. The Co-op contributed \$1,835 from the Empty Bowl Dinner fundraiser, \$760 to NOFA's Share the Harvest, and supported over 60 other local non-profits.

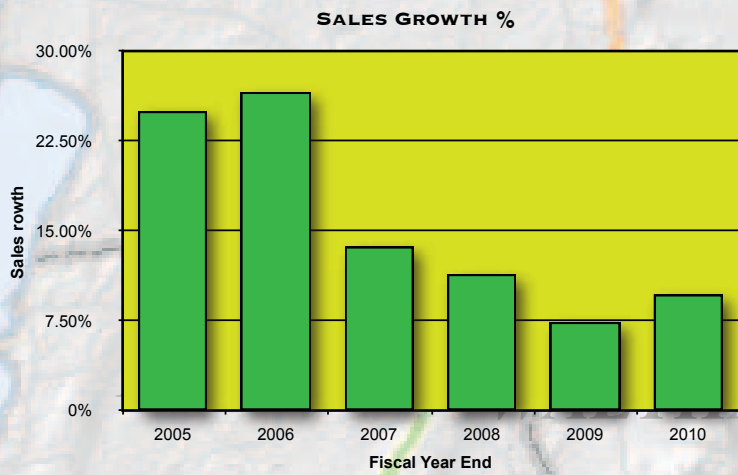
The coming year will include continuing our Weekly Promotional Sales program of basic foods at excellent prices as well as continuing to educate ourselves and inform our member-owners about healthy foods and food issues via our monthly Newsletter, the Co-op website, in-store demos, informational signage, cooking classes, and school tours. We will support and sponsor local food and health-related events. Staff field trips to local farms and food producers, to neighboring cooperatives and food shows will help us to expand our knowledge. Events will include the Co-op Community Celebration, Harvest Festival, Truck Load Sale, Green Energy Expo, Eat-Local-Challenge, and Empty Bowl Dinner.

18 food cooperatives from VT, NH, and MA, now referred to as the Neighboring Food Co-op Association, made great strides forward in developing a vision for the coming years and linking with other like-minded organizations working on local food system initiatives.

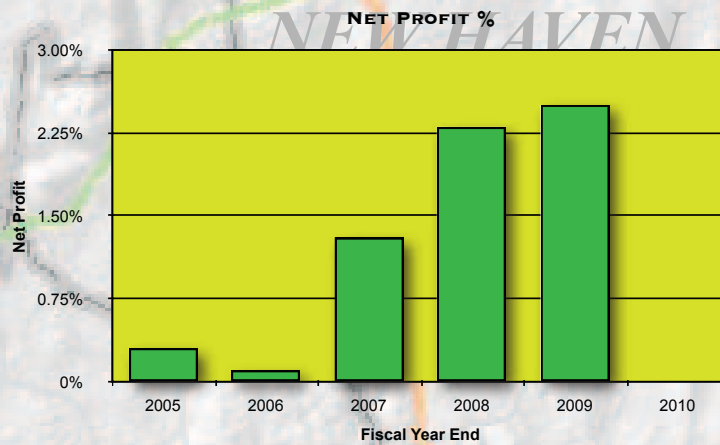
I would like to thank our Board of Directors, our unsung heroes, working on behalf of the Middlebury Co-op member-owners and the community! I'm sad to say goodbye to Board President Ashar Nelson; for nine years he has been an outstanding leader and friend, and also to Johanna Nichols who served with distinction and passion for three years.

Glenn

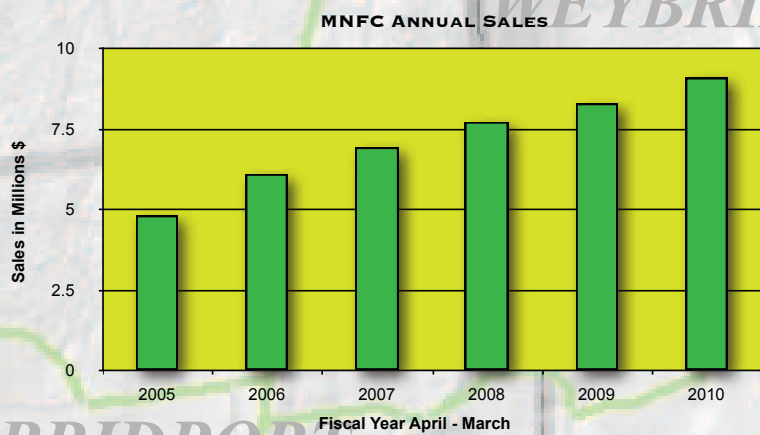
MIDDLEBURY NATURAL FOODS CO-OP



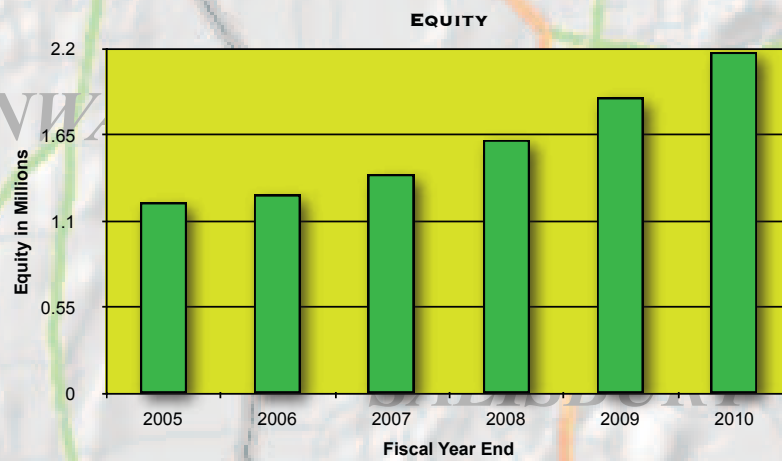
Sales growth has been positive since the new store opened Oct. '04. The slight increase in last 12 months (April '09 - March '10) can largely be attributed to the weekly promotional sales program advertised in the Addison Independent and more families eating at home rather than eating out during the recession.



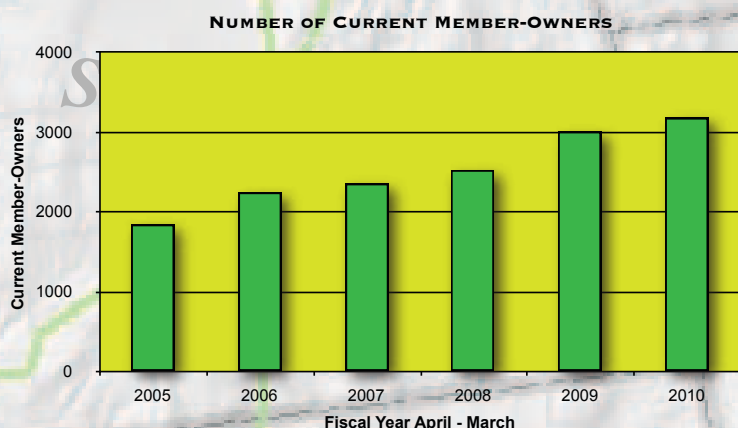
Profits since the expanded store opened in Oct. '04 have grown steadily. As a community-owned co-op, any profits are used to improve the business for the benefit of the member-owners and community. This is one of the critical differences between a co-op and a chain business whose purpose is to increase profits for stock holders outside the community.



Sales have been strong over the years. The new expanded store opened Oct. '04, so the first bar reflects half the year in the old and half in the new store.



Equity is the accumulation of all retained earnings (profits + member shares) over the years.



The number of member-owners has grown steadily in recent years. Only current (share paid) member-owners are considered in the count.

