



MIDDLEBURY
NATURAL
FOODS
CO-OP

Annual Report
&
2017 Board Election Information





GM Report 2017

Dear Member Owners,

The Co-op Expansion is well underway and going remarkably well. We are on schedule and within budget! Completion is scheduled for the end of October. Even though it is testing our composure at times, these weeks and months are incredibly exciting.

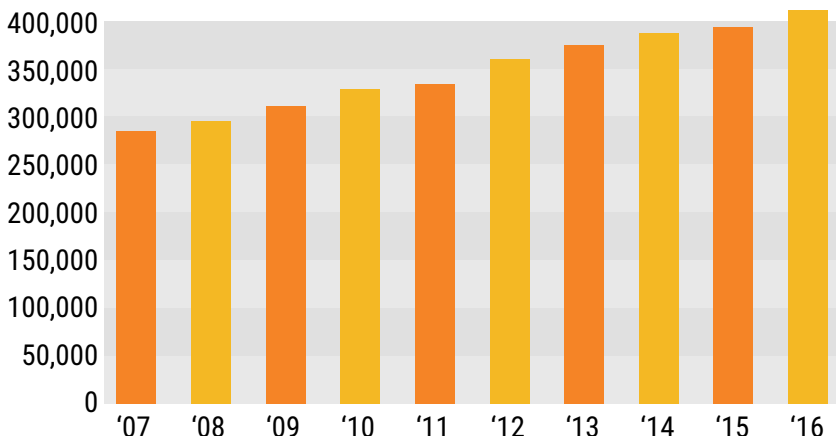
I do want to thank all of you again for your ongoing support, especially your continued determination to shop at the Co-op. We will do our very best to keep the shopping lanes open and safe, and to keep the noise down as best we can. Please know that your continued shopping throughout the construction period is the most valuable support you can give during the coming months.

This is **your** Co-op! As a reminder, here are the objectives of our expansion efforts:

- ✍ A better insulated, more energy-efficient building with 50% more retail space overall
- ✍ 20% more retail space in the Produce department and a more open layout for easier navigation
- ✍ Improved store entrance with energy-saving air lock
- ✍ 100% increase in the Bulk/Grocery backstock area
- ✍ Expanded selection in the Bulk department
- ✍ 100% increase in Fresh Meat retail space
- ✍ 100% increase in Cheese retail space
- ✍ Improved Deli, with 75% more retail space and a hot bar
- ✍ Enlarged Deli kitchen for more prepared foods and faster service
- ✍ New Co-op Café with 100% more seating and a dedicated entrance
- ✍ New customer service desk
- ✍ Wider, longer, safer driveway in and out of the parking lot

I am happy to report that your Co-op continues to be in healthy financial standing. Sales have grown to just over **\$14 million** which constitutes a remarkable **5%** increase over last year.

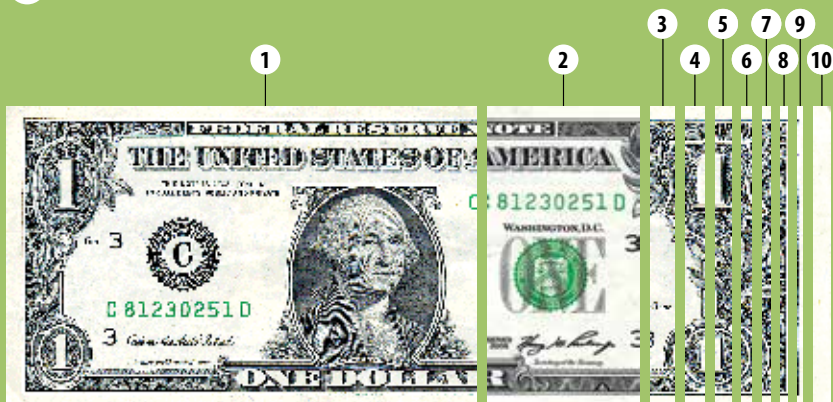
Annual Customer Count



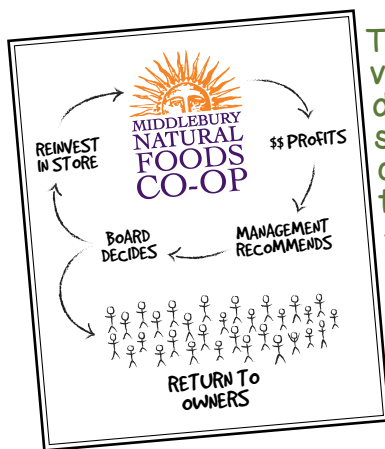
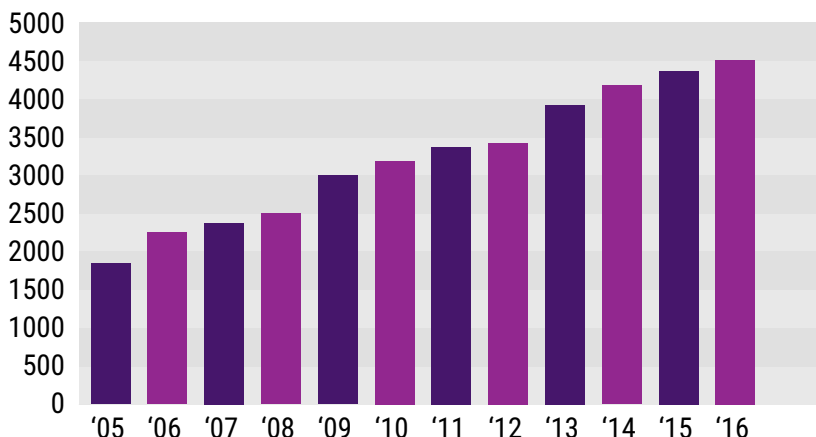
As of writing this report, our accountants have not yet completed closing our year-end financials nor our annual audit report. We don't know what the final bottom line net income will be, but here is a representation of how each \$1.00 you spend at the Co-op is typically used.

Expenses for Each Customer Dollar Spent

- | | | |
|---|------------------------------|--------------------------------------|
| 1 64.7% Cost of goods (Paid to Vendors) | 5 2.3% Physical Plant | 8 1.0% Admin |
| 2 21% Personnel | 6 1.4% Patronage | 9 0.3% Governance |
| 3 3.2% Operating | 7 1.0% Taxes | 10 2.5% Net Income/ Profit |
| 4 2.6% Promotions | | |

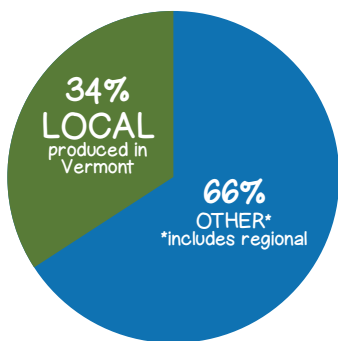


Member-Owner Count



Two years ago, the membership voted in favor of switching from a discount to a patronage dividend system. Last June we paid out our first ever patronage checks totaling **\$152,800**.

This is the Co-op's way of sharing our year-end profits with member owners. This June we will be sending out checks again. Membership has grown throughout this time, which we take as a sign of increased community support.



We are especially happy to notice that our sales of locally grown and produced products have grown to a new high: **34%** of store sales!



You will recognize our local products in the store by our new logo!

A priority set in our Long Range Plan concerns competitive pricing. We invest a significant amount of effort, time and energy to keep prices low, offer attractive sales and increase our offers of Co-op Basics products. We are committed to offering attractive sales without compromising our Middlebury Co-op values:



- ✓ Healthy Foods
- ✓ Vibrant Local Economy
- ✓ Environmentally Sustainable & Energy Efficient Practices
- ✓ Cooperative Democratic Ownership
- ✓ Learning About These Values

rally for change With your help the co-op has also been able to give back to our community. We raised **\$16,044** through our **Rally for Change**.



Total donations to local food shelves and other Addison County nonprofits will exceed **\$38,000**.



Other exciting things we did this past year include several 40th Anniversary celebrations, our Green-Up and Harvest Festivals, the Empty Bowl Dinner, and several Sustainability Classes held in the fall and spring at the Hannaford Career Center.

Please make sure to join us for our Annual Meeting at American Flatbread, on June 7th from 5:30pm - 7:30pm. We will share our latest expansion updates and general news about the Co-op. We would love to have you there to hear your suggestions, questions, and insights. Of course, we will also have the election results for you **(remember to vote!)**

Best wishes for the coming weeks and months!

Cooperatively yours,



Ian Ross Cornwall

I have been employed at the Middlebury Natural Foods Co-operative for ten years. For several years I have been interested in the Board of Directors. In the last couple of years I have reached a good point in life to fully commit to this endeavor, and give back to my Co-op community. As we embark on this period of growth, the board needs to not only think about the next couple

of years, but the longer-term health of our organization. I feel that my experiences in the food and customer service, architecture, and construction industries would be of great value at this important time for MNFC.

My relationship with MNFC spans over two decades and has led to me seeking out co-operatives while traveling. I have worked as a volunteer and an employee. I am a member of the Vermont Federal Credit Union, and I had a brief experience with a housing co-operative when I was a child. I am also very familiar with Habitat for Humanity. I worked with them as an AmeriCorps member, a volunteer, and an intern all over the USA, even in Alaska. I feel their mission of helping deserving families get decent, affordable housing fits well with our work of providing healthy foods at reasonable prices, and contributing to a vibrant local economy. Both organizations help lower income people with educational opportunities.

I work in groups every day. With the current space constraints, the deli has to be a tight knit crew with lots of communication. When conflicts arise in my life, I am eager to step aside when able and work to find common ground. I always try to see situations from all viewpoints.

I have three young daughters who have grown up with the Co-op being a big part of their lives. I have developed the mindset of investing in a healthy life style now, to hopefully save on more costly medical expenses later. I may not reap these benefits, but I want to prepare my daughters now. I also want to help others in our community achieve similar goals, and keep supporting the local economy. - Ian





Ilaria Brancoli Busdraghi Middlebury (Incumbent)
Middlebury Why are you interested in serving on the Board of Directors?

Since moving to Middlebury from Italy 20 years ago, the Middlebury Natural Foods Co-op has been a place where I feel at home and nourished in so many ways. I am grateful and fortunate that I get to shop in a store that is strongly and intentionally about a community that extends well beyond

the walls of the building. There is a clear sense that we truly are “stronger together,” and that we all have a responsibility towards each other and towards the planet. And I so enjoy the fact that a “visit” to the Coop always takes longer than anticipated because I always end up having a conversation or three.

Briefly describe any experience you have had with co-operatives or not-for-profit organizations.

I have been on the MNFC board for 9 years. I also serve on the board of the Aurora School.

What has been your experience working with groups and what is your approach to group dynamics?

Every day I find myself in group situations of different kinds, when I interact with students (I teach Italian), when I sit in a meeting, when I am with family and friends around a table. My approach tends to be to listen and get a sense of where people are and where they come from. Also, I find that this is the best way for me to be clear about where I stand, because I function best when I am in a situation where ideas, opinions, and questions are shared and exchanged.

Is there anything else you would like the membership to know about you? I love to cook and I love to eat! - *Ilaria*



Kate Gridley - Middlebury (Incumbent)

After a three-year stint on the board, I would like to serve another term in order to help see through the current expansion of the Middlebury Natural Foods Co-op.

The expansion is both physical and metaphorical: as we enlarge our building, I am

more aware than ever of the challenges food systems and farmers face, the need for healthy and affordable food for all, the ever more critical need for environmentally sustainable and energy-efficient practices, and the importance of the cooperative, member-owner business model, particularly in light of the current political climate.

I have volunteered over the years for many area organizations in different capacities, including local schools, the Champlain Valley Unitarian Society, and Town Hall Theater. I have served on local boards, among them THT (11 years) and MNFC (5 years total); and my area of strength is in fundraising, board governance structures and board development. I love finding ways to help others do their best work, and I love recruiting new people to serve on boards, and help them make connections. It's all about building bridges. Collaboration is key to the success of any endeavor, and the co-op models collaboration in the way it operates every day.

With a son who is a farmer and a strong personal interest in gardening and food preparation, food culture is central to my life. I have written about gardening and food issues for the Addison County Independent and Yankee magazine, and illustrated The Cook and the Gardener.

We are in a period of transition, locally, nationally, and globally. I feel urgent to continue working hard on behalf of MNFC, where the important concerns of the day - environmental, political, food justice, economic justice, and health - motivate and inform us. - Kate



Kayla Brenden Middlebury

Why are you interested in serving on the Board of Directors?

I am a new member of the community and the co-op was a place I was drawn to immediately because of their friendly environment, welcoming attitude, the staff's openness to help, and especially for their willingness to share their curry chicken salad recipe. I have the time and resources

needed to be a productive member of the community. This is an opportunity I am interested in putting these qualities into practice. The Middlebury Food Co-op provides healthy and

nutritious high quality options for the community, which I believe people are willing to invest in. The co-op is a small business supported by the people and I want to continue to encourage and excite the community about this unique part of Middlebury.

Briefly describe any experience you have had with co-operatives or not-for-profit organizations.

I've been supporting the co-op as a consumer; my family is involved in not-for-profits so I have volunteered with many of these organizations. I feel like I'm ready to take an active role in this organization.

What has been your experience working with groups and what is your approach to group dynamics?

Each person has their own perspective and each individual opinion that should be valued. When people work together there are better outcomes, especially when they are motivated. I believe I am able to motivate people to accomplish a common goal. My profession as an optometrist revolves around group work. I wouldn't be able to efficiently and effectively treat patients without the entire team working productively as an individual and as part of the group.

Is there anything else you would like the membership to know about you?

I'm a passionate and driven individual that is excited and ready to immerse myself in this community. Joining the board of directors is a way I can see myself adding the skills and motivation I have to collaborate with the other directors and continue to improve and drive forward the membership community and the co-operative. -Kayla



Molly Anderson Middlebury

I want to contribute to MNFC and participate more actively in helping it thrive. It's a great co-op now; and I'd like to help MNFC member-owners, staff and GM work through our next phase, which will make it an even stronger community center. I'm committed to keeping the co-op viable, yet making it even more accessible and affordable to low-income residents.

While I've lived in Middlebury a bit less than 2 years, I have been working with organizations and businesses throughout New England for the past 30 years that are working to improve our food system. I think that I could bring knowledge about food system issues, resources and trends that might be useful to the Board. I've been a member of food co-ops in North Carolina, Arlington and Cambridge (Mass) and Maine, but haven't served on their Boards. I do have considerable Board experience, however: I chaired the National Community Food Security Coalition's board for 6 years, and served on the New Entry Sustainable Farming Project Board (Massachusetts). I also clerked the New England Earthcare Committee, a Quaker environmental group with food and environmental interests; and I serve on several Advisory Boards for food system organizations.

I'm a bridge-builder and networker through my work, and I think collaboration across different perspectives is how we solve social problems. In my experience, Boards work best when members feel their time is valued; when meetings are planned carefully; when there is good communication across the organization's management, staff and Board; and when Board members listen to each other deeply and respect differences of opinion as they try to reach agreements or compromises. While social capital is essential for good group dynamics, it's important to stay focused on the tasks that need to be done.

I'm on the faculty of Middlebury College as Professor of Food Studies, responsible for developing a new interdisciplinary program in food studies. I'm also a member of Food Solutions New England and the (national) Inter-Institutional Network for Food, Agriculture & Sustainability. -Molly



Ross Conrad Middlebury (Incumbent)

I am submitting my name for another term on the Board of Directors because I believe the MNFC will play an important role in helping our community face the challenges ahead both as an example of community owned wealth that creates a more just and fair workplace while helping to stabilize our local economy, and as an important player in

the continued development of our local food system. My co-op experience began as a member of Recreation Equipment Inc. (REI), and I was a working member of the Onion River Food Co-op in 1988. I became a member of MNFC when I moved to Middlebury in December 1988, and worked at the Co-op between 1989-1992. I have also been a long-time co-op vendor having provided honey, bee products and shiitake mushrooms over the years. I've spent about 20 years, on and off, serving as a member of the MNFC Board of Directors since 1989 when I was first elected to the Board as the Co-op's employee board representative. There were a couple times over the years that I stepped down from the board when other commitments and time constraints prevented my carrying out my board responsibilities to my fullest potential. I believe that group decision making works best when all members get the chance to offer input. As a member of a group that is in the decision making process, I often find myself able to identify things that have been overlooked. Being a fairly independent thinker often allows me to shed light on issues and make points that have not previously been considered during the process. I also currently serve on the Middlebury Town Energy Committee, as an Alternative Delegate from Middlebury to the Addison County Regional Planning Commission, and I just finished helping to draft recommendations for the state legislature as a member of the Vermont Pollinator Protection Committee. - Ross



Tam Stewart Goshen (Incumbent)

My wife and I joined the Co-op thirty years ago, and this will be my eighth year on the Board. I've served as Secretary; Communications Chair; Vice-President; and for the last two years, as your President. My reason for running for election again is simple: I want to keep helping this Co-op deliver the best possible impact for the greatest common good. That's my Why. How

is by working to make your Board of Directors even stronger. The challenges for food cooperatives everywhere have never

been bigger. They're the result of recent market conditions characterized by uncertainty, intense competition and risk. These conditions are in turn the result of underlying social, economic, environmental and political changes on a massive scale. But along with your hard-working Staff, your Board is rising to the occasion, and I'm grateful to be a part of it. For example, we helped define and support an ambitious expansion project, now in full swing, that will add much-needed capacity to our Co-op at many levels. To help fund this project, we oversaw a Member Loan Campaign that raised a million dollars in a remarkably short period of time. We also helped implement a new Patronage Dividend System, which gives our Co-op added financial flexibility and strength.

At the same time, the Board has raised the bar on its internal process and skills, and is now able to work in three distinct modes of governance: fiduciary, strategic, and generative. (This is known as tri-modal governance, and is very focused and effective.) We also use an advanced, web-based collaboration tool that enables us to work together between meetings, and that maintains a complete record of all our activities for the benefit of future boards.

We also recently advanced our Co-op's outreach and transparency by driving the development of a new digital communications programme that includes a new website, e-newsletters, a re-designed print newsletter, and a strong social media presence. These initiatives have already made the vital and sustaining dialogue among all of us deeper and more robust.

From the outset, my work on your behalf has been rewarding, and as your President that has deepened. Besides working with my fellow Directors, perhaps the best part has been collaborating with Management and Staff. These joint efforts are a sign of how aligned and fundamentally sound our Co-op really is. They suggest that we'll not only meet the challenges ahead but will end up better for them. We are indeed stronger together, and if you elect me again I'll work even harder to keep it that way. Please write me directly anytime at tam@middleburycoop.com. Thank you. -Tam

Join Us for our **41st Annual Meeting and Celebration!**
Wednesday, June 7th, 5:30-7:30 pm,
@American Flatbread
Marble Works - 137 Maple Street, Middlebury



We'll talk about the past year and the progress we've made meeting our Ends. Our General Manager, Glenn Lower will update us on our **Expansion Process** and talk about what next year may bring.
Enjoy delicious flatbreads, salad, non-alcoholic beverages and desserts on us!

Current Middlebury Natural Foods Co-op Board



President - Tam Stewart
 Vice President - RJ Adler
 Secretary - Louise Vojtisek
 Treasurer - Lynn Dunton
 Jay Leshinsky, Ilaria Brancoli
 Busdraghi, Ross Conrad,
 Nadine Barnicle, Kate
 Gridley, Ann LaFiandra,
 Amanda Warren

MNFC Board of Directors Election 2017

Dear Co-op Members,

The MNFC is governed by an eleven member Board which is elected by you, its member-owners. Board members give their time to thoughtful deliberations concerning the future and well-being of the Co-op.

The Board is directly accountable to the members for the activities and accomplishments of the store. Cast your ballot by **Friday, May 26**.

MNFC Election Voting Procedure

What am I voting on?

- There are seven(7) members seeking election to four(4) seats on the MNFC Board of Directors.
- Vote for up to four(4) candidates.

Who can vote?

- Only the MNFC member who is named on the MNFC membership is eligible to vote. That person's name appears on this mailing label. **One membership = one vote**

How do I vote?

- A ballot is printed on the last page.
- Fill out the ballot, and present your ballot to a cashier at the Co-op. You will receive the benefit of the store coupon printed on the ballot.

You may also mail the ballot to:

MNFC Elections, 1 Washington Street, Middlebury, VT

What about voter anonymity?

- Before casting your vote, remove your address label to preserve your anonymity.

How do I find out about the results?

- Results will be posted in the store, and announced at the Annual Meeting on **Wednesday, June 7, 2017**.

Please note: The year-end financial report will be available to member-owners at the Annual Meeting and at the registers in the store the week prior to the Annual Meeting.

Questions?

- Please contact **Glenn Lower** at **GM@middleburycoop.com**