

Dear Member-Owner,

June 2016

We are excited to issue our first ever patronage refund checks. Yours is enclosed. Thank you so much for making it possible!

Here's a quick overview of how this benefit works. Last year, our Co-op's member-owners voted to switch from a 2% discount at the register to a patronage refund system (also called a patronage dividend system). This simply means that every year you will now receive a share of the profits in direct proportion to how much you've purchased. So, the more you shop, the more you're eligible to earn!



At the end of each fiscal year, if the Co-op is profitable, your Leadership Team, comprised of both Management and the Board of Directors, reviews any anticipated projects and financial needs for the Co-op. That information is then used to determine how much profit to retain, and how much to return to you.

The amount retained stays in the Co-op. It still belongs to all member-owners and becomes part of what we own together. It also represents another aspect of our investment in this community-owned organization. The remaining profits are then returned (refunded) to you, a member-owner, in the form of a check. Your check stub includes the total amount of your purchases at the Co-op during the nine months since we started our patronage system, July 2015-March 2016.

Because our Co-op was profitable in the last fiscal year, the Leadership Team decided to return 40% of the profits to the member-owners and retain 60% to reinvest in the Cooperative.

For more information about how our patronage refund system works or the by-laws, please visit our website at <http://middlebury.coop/join/patronage-dividend/>.

Here are some options and ideas for enjoying your patronage check:

-  Cash or deposit your check within 90 days (deadline is September 13, 2016). Why not spend it locally to keep your dollars circulating in the community? You can even use it at our Co-op! or
-  Donate it to support the local food shelves HOPE and CVOEO in Middlebury to help us combat food insecurity in our community. Endorse the back of your check "Payable to MNFC" and return to a cashier at the Co-op and we'll make the donation for you.

Please note that if you do not cash or deposit or return your check within 90 days, the check becomes void, and the Co-op will donate the amount to be split between the two food shelves HOPE and CVOEO.

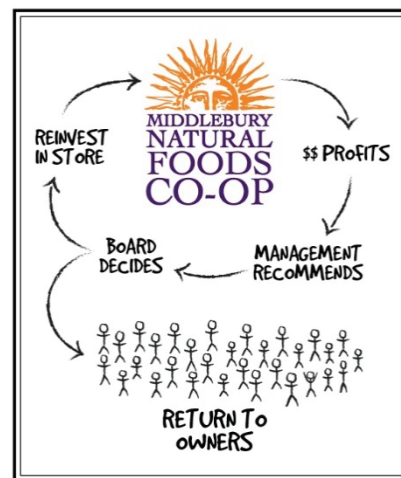
Thank you so much for helping make your Co-op a successful part of our vibrant local community!

Sincerely,

Your Co-op's Leadership Team

Board of Directors: Tam Stewart (President), RJ Adler, Nadine Barnicle, Ilaria Brancoli Busdraghi, Ross Conrad, Lynn Dunton, Kate Gridley, Kevin Lehman, Jay Leshinsky, Sheila McGrory Klyza, and Louise Vojtisek.

Management Team: Glenn Lower (GM), Barbara Cunningham, Nick Hedges, Steve Koch, Karin Mott, Eric Neil, Carol Rudinski, Laura Slavin, Reiner Winkler, and Kira Winslow.



Facts about this year's patronage refund:

- 🌿 We started the patronage system July 1, 2015, 9 months of total sales = \$9,896,257.
- 🌿 Member purchases totaled about 76.83% of those sales.
- 🌿 The total declared patronage = \$333,700 ... profit from member sales before taxes and patronage.
- 🌿 The Board decided to return 45% of patronage to member-owners in checks.
- 🌿 The retained money will be reinvested in the Co-op to support our planned expansion project, allowing us to borrow less money from the bank and keeping the Co-op's future more secure.
- 🌿 The money saved on Co-op taxes will be used to:
 - Expand our Co-op Basics program... reducing prices on everyday products.
 - Support our Member Deals program ... 20% - 30% discounts on products from companies we feel share our values.



Co-op stats on our community impact this year:

- 🌿 33% of store sales are of LOCAL Vermont products, up 14% from last year
- 🌿 The Co-op buys from 345 VT vendors
- 🌿 The Co-op employs 85 people in our community.
- 🌿 The Co-op made \$33,000 in donations of food/\$ to community non-profits. More than 5 tons of food was donated to CVOEO.
- 🌿 156 families participated in our Food For All program to receive 10% off when they shop.
- 🌿 Cooking classes were offered in the spring and fall at the Hannaford Career Center in partnership with the Co-op.
- 🌿 The Co-op organized and hosted five events this year: Green Up Day, Harvest Festival, Empty Bowl Dinner, Annual Meeting, Truck Load Sale.
- 🌿 We recycle and make compost! 30 local growers have "re-use" containers, 70 lbs/day of food waste is composted and thus diverted from landfill.



HAPPY BIRTHDAY TO US!
40 YEARS A CO-OP