

# PATRONAGE DIVIDENDS



MIDDLEBURY  
NATURAL  
FOODS  
CO-OP

As member-owners of the Co-op,  
you also own the profits, and a  
patronage dividend system allows  
us to share and reinvest those  
profits in a transparent, mutually  
beneficial way.

Look inside to learn more!

Questions or concerns about  
patronage refunds?

Please feel free to contact  
your General Manager,  
**Glenn Lower.**

You can reach him by calling  
**388-7276**  
or by email at  
**glennlower@middlebury.coop**



**Middlebury Natural Foods Co-op**  
**Open Daily 8am-7pm**  
**9 Washington Street**  
**Middlebury, VT 05753**  
**middlebury.coop**  
**802-388-7276**



## What are patronage dividends?

**Patronage dividends are a traditional way for co-ops to share profits back with their members.**

Member-owners receive a share of the profits in proportion to how much they purchased during the fiscal year (April - March). The more you shop, the more you are eligible to earn. At the end of the fiscal year, if the Co-op is profitable, your Board of Directors will review any anticipated projects and financial needs for the Co-op. They will use that information to determine how much of the profits to retain, and how much to give back to the member-owners.

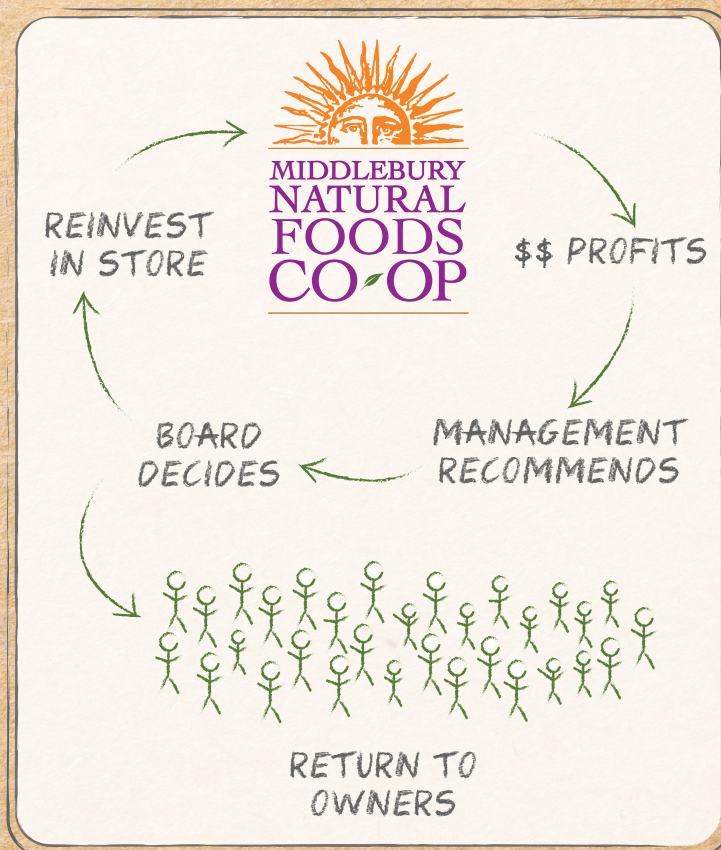
The amount retained stays in the Co-op. It belongs to the member-owners as a group, and becomes part of what we own together as an investment in community ownership. The remaining profits are then returned by check or voucher to the member-owners. Law requires that at least 20% of patronage be returned to member-owners.

## How does the patronage dividend affect my discounts & member benefits?

All discounts (*ex: Senior Discount, Working Member, Food For All, etc.*), in addition to member-owner benefits such as the Member Deals and Co-op Connection are unaffected by patronage dividends.

When will I receive my dividend?

Dividends will be distributed at the end of our fiscal year. This means, during profitable years, checks are sent out in July.



Do other co-ops do this?

Yes, the majority of food co-ops in the US have implemented a patronage dividend system, including our peer co-ops in Burlington, Montpelier, and Brattleboro.

## How much will it be?

This will vary from year to year based on the Co-op's profits, your annual expenditures at the Co-op, and the Co-op's anticipated capital needs.

## How is my dividend calculated?

Here is an example calculation for Member-owner, Jane X, who spends about \$50/week at the Co-op:

At fiscal year end, Co-op sales = **\$12 million**  
Year-end profit = **\$500,000** before taxes and dividends  
Members account for 75% of store sales = **\$9 million**  
of that \$9 million, profits = **\$375,000**

*The Board decides to retain 60% and rebate 40% to members*

Jane X has made \$2,600 in purchases for the year (\$50/week)

$\$2,600 / \$9 \text{ million} = 0.02889\%$  of total sales

**Jane X's dividend =**  
 $40\% \times \$375,000 \times 0.02889 =$   
**\$43.33**

## Can I donate my dividend to a good cause?

Yes, we will select organizations that help people in need access healthy foods, such as our local food shelves, and you will have the option of donating your check to the chosen organization. Uncashed checks will automatically be donated.