

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



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Your 2019 Patronage Dividends Check Explained



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!

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.

What if I don't receive my dividend?

Contact our finance department to verify your mailing address is correct and if you earned a dividend check over \$5.

ap@middlebury.coop
388-7276 ext. 225



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?

Here are a few example scenarios:

If a member spent \$10/week=**\$4.70 will be donated to the food shelf**

If a member spent \$25/week=**\$11.74 in the patronage check**

If a member spent \$50/week=**\$23.48 in the patronage check**

If a member spent \$100/week=**\$46.95 in the patronage check**

If a member spent \$200/week=**\$93.91 in the patronage check**

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 = **\$16,413,587**

Year-end profit = **\$343,714 before taxes and dividends**

Members account for 77.68% of store sales =

\$12,750,074

patronage related profits = **\$230,256**

The Board decided to retain 50% and rebate 50% to members

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

$\$2,600 / \$12,750,074 = 0.020392\%$ of total sales

Jane X's dividend =

$50\% \times \$230,256 \times 0.020392\% = \23.48

Can I donate my dividend to a good cause?

This year, you have the option of donating your Patronage Refund to our local food shelves, CVOEO and HOPE (funds will be divided equally between these two organizations). Refunds of less than \$5 will be automatically donated to these organizations, as will any uncashed checks.

Total checks under \$5 = \$4,449.37