

Questions or concerns about
patronage refunds?

Please feel free to contact
your Co-op.
You can reach us by calling
388-7276 x307
or by email at
membership@middlebury.coop



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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!

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.

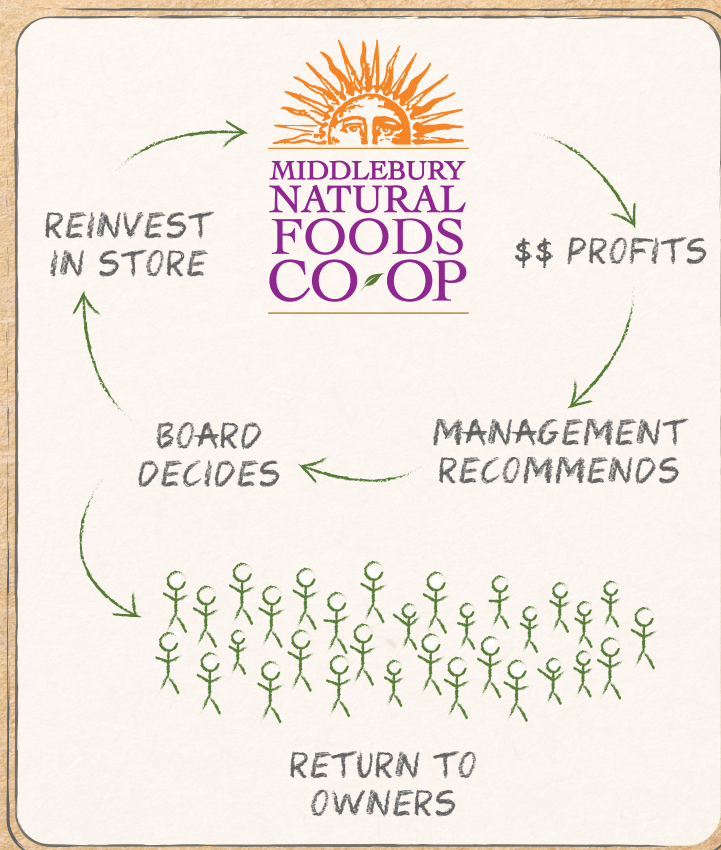
The amount retained stays in the Co-op. It belongs to the member-owners as a group, and becomes part of what we own together as an investment in community ownership. The remaining profits are then returned by check or voucher to the member-owners. Law requires that at least 20% of patronage be returned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

During profitable years, dividends will be distributed at the end of our fiscal year. Please allow several months for fiscal year accounting to be completed.



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)
 $\$2,600 / \$9 \text{ million} = 0.02889\% \text{ of total sales}$
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 Co-op's chosen organization(s). Uncashed checks will automatically be donated.