



MIDDLEBURY
NATURAL
FOODS
CO-OP

20 25 | ANNUAL REPORT



BOARD REPORT 2025

Dear MNFC Member-Owners, shoppers, and community members,

Thank you for your continued support of MNFC! We know that you have many options for how to bring food into your home, and on behalf of the Board of Directors—thank you. Thank you for participating in democracy through shopping at our cooperatively-owned grocery store. Our Co-op exists to benefit our community and recirculate wealth, contrary to the traditional grocery store model, which extracts wealth from communities for the benefit of a small number of shareholders. When you shop at MNFC, you keep your dollars within our community for mutual benefit. This is remarkable. Your choice makes a difference and is a vote for a thriving future.

A primary difference between our Co-op and a traditional grocery store is that MNFC is governed locally, and decisions are made by people in our community. Our Co-op's leadership team is made up of the Board of Directors and the General Manager, alongside the excellent staff at the store.

What does the Board of Directors do exactly?

The MNFC Board has three primary responsibilities:

- 1) Oversee the General Manager
- 2) Create and monitor policies that guide the strategic direction of our Co-op
- 3) Act as fiduciaries for the organization.

How did this translate to the work your Board actually did this year?

FIRST, we were honored that our Board was invited to present at the Consumer Cooperative Management Association conference! Three Board members, and our General Manager, Greg Prescott traveled to Duluth, Minnesota to present on how prioritizing relationship building with

each other and with Greg during his first three years in the role has impacted the success of our work together. Our presentation explored how these working relationships are rooted in trust, respect, understanding, and mutual accountability. As representatives of MNFC Member-Owners, we understand the importance of building strong communities based on these values, and we were honored to present about MNFC to co-op leaders from around the country.

SECOND, the Board looked at our policies and practices around two topics related to the Board's focus on JEDI (justice, equity, diversity & inclusion), and our commitment to improving how we represent the community. We examined how we make appointments to fill vacant seats when a Board member does not complete their term, and created a more holistic and equitable process. We also began to look at how to more equitably compensate Board members for their contributions to committee work, increasing access for all Board members to contribute their time and voices to important work. Both of these topics are part of our continued effort to examine barriers that may prevent people from serving on the Board.

THIRD, the Board hired Wegner CPAs to conduct a financial review of MNFC. It is important to note that external financial monitoring is a standard part of the Board's fiduciary responsibility and does not reflect a lack of trust in the Co-op's management. We conduct full third-party audits every few years, and reviews in between. The CPAs' findings assured the Board that MNFC's financial reporting is consistent with Generally Accepted Accounting Principles. As Member-Owners, you can feel confident in the financial position of MNFC.



Appreciation

MNFC has had another amazing and profitable year! While the Board works directly with the General Manager, the Board is acutely aware that the incredible work of the entire 100+ staff members make MNFC the phenomenal place we all depend on.

This year brought a host of obstacles to the employees at the store, such as continued staffing shortages and a major distribution disruption. Furthermore, as sales have continued to increase, the demands on staff and difficult space constraints have increased as well. Despite these challenges, the MNFC remains the dependable place our community relies on. The Board recognizes that this is entirely due to the exceptional commitment of the staff. We are incredibly grateful for the work of each and every staff member—past and present—for the time, effort, and heart they have poured into our Co-op, and the profound impact they have made on our community.



Erika Dunyak



Lynn Dunton

This year we welcomed several new Board Members, and we also said goodbye to two. We are grateful for the time **Erika Dunyak** and **Lynn Dunton** gave to MNFC. Erika brought a wealth of industry knowledge to our Board, and we will miss her perspective. Among many significant contributions over almost a decade of Board service, Lynn served as Board Treasurer through the 2017 expansion and the 2021 General Manager search, and we are so grateful for her commitment to the Board!

Once again, we appreciate all of you—Member-Owners, shoppers, and community members—for your continued patronage of our Co-op for nearly 50 years.

As always, please feel free to reach out with questions.

In cooperation,

Amanda Warren (she/her),
President, Board of Directors
board@middlebury.coop
(802) 388-7276 ext. 377



GENERAL MANAGER'S REPORT 2025

Dear Middlebury Natural Foods Co-op Community,

Our Co-op is dedicated to serving three distinct groups: our member-owners, our customers, and our community. Member-owners are those who invest equity in the Co-op, and customers are those who shop with us. But what does “community” truly mean?

Community is wonderfully diverse and open to individual interpretation. It can encompass our workplaces, churches, neighborhoods, schools, or even shared interests like a Dungeons and Dragons group or an online message thread. We often hear from staff, member-owners, and customers alike, “I love the Co-op, I love this community,” each person bringing their own understanding of what that means.

The Co-op acts as a hub where people who value healthy food, a vibrant local economy, environmentally sustainable practices, democratic ownership, and for those who want to learn more about these values, come together. Some may embrace all our core values; others focus on one or two. Some simply appreciate our delicious curry chicken salad, our chocolate pudding, or the friendly cashiers who know them by name.

What’s truly remarkable is the continuous growth of our Middlebury Natural Foods Co-op community. We now serve over 7,000 households across Addison County, Rutland County, and parts of New York—each supporting our mission and finding their own definition of community within the Co-op. As our community expands, we consistently receive feedback highlighting the need for more space to accommodate us all—wider aisles, additional shelves, more local options, increased bulk options, more cheese and meat selections, more parking—more backstock areas and a proper loading dock.



Our 2017-2018 expansion, which added 3,000 square feet of retail space, significantly improved our ability to meet the community's needs at the time. We gained wider aisles, expanded refrigeration, a new grocery aisle, additional registers, and dedicated departments for meat, cheese, and prepared foods. We even wondered how we would ever fill the new space, but it didn't take long!

In the seven years since, our Co-op community has continued to evolve. This has lead us to ask a crucial question: Is our current space still serving our needs effectively? Can we reimagine

our existing footprint to work more efficiently and provide even greater value to our staff, member-owners, and the wider community?

While a physical expansion may not be immediately feasible, we are excited to announce that we are beginning a year-long process to rethink and reevaluate how we utilize our current space. Our goal is to have a comprehensive remodel plan in place by next year, perfectly timed to celebrate our Co-op's 50th anniversary.

Nearly 50 years ago, our Co-op began as a



small buying club in living rooms, driven by a shared pursuit of better food. From those humble beginnings, we have grown to serve 7,003 member-owners and generate over \$25 million in annual sale—revenue that stays right here in our community, supporting our staff, local growers and producers, and other local businesses, with patronage returned to our member-owners.

From a buying club to a storefront at the train station, then a small condo unit on Washington Street, and finally to our current location, our Co-op has continuously grown and evolved over nearly five decades, always striving to offer more. This is an incredibly exciting time as we embark on this next phase of our evolution together.

This evolution is possible because of the support our Co-op receives from our member-owners, our customers, and this community we are continuously finding together. Thank you for contributing to our definition of community and growing with us. None of this would be possible without you.

Much Appreciation,

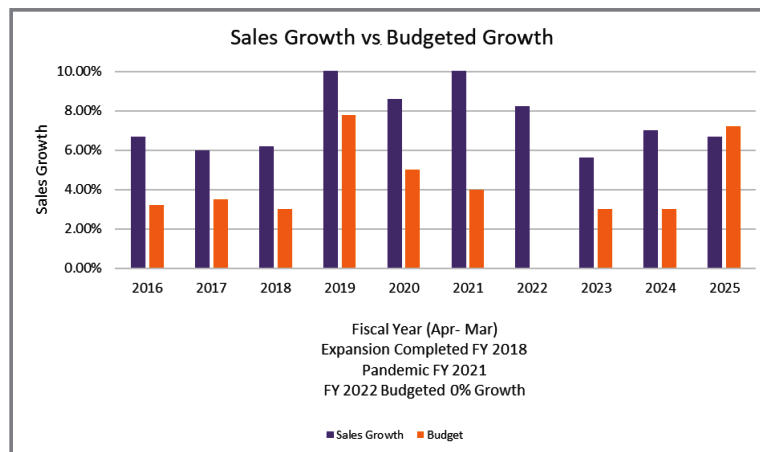
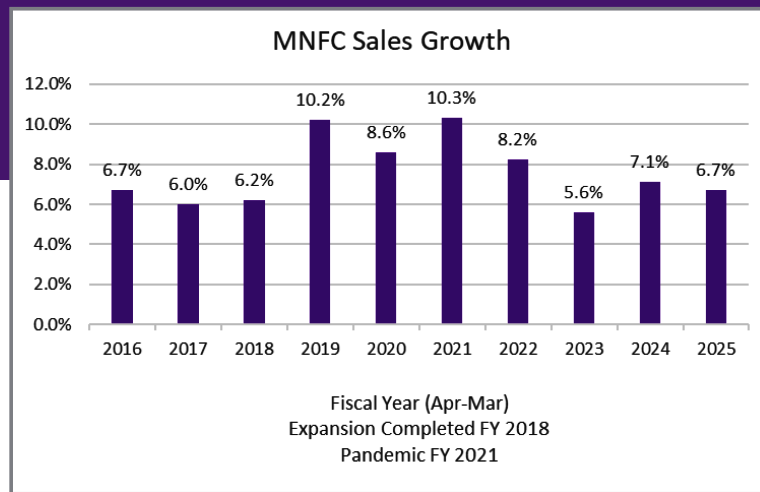
A handwritten signature in black ink, appearing to read 'Greg Prescott'.

Greg (he/him),
General Manager
gregprescott@middlebury.coop
(802) 388-7276 ext. 306

Fiscal Year: April 2024 – March 2025

6.7% Sales Growth - For FY25 our goal was to base our budget on the best possible projections we could provide as a team. Our previous practice of budgeting has been to create a budget based on possible “worst case scenarios.” FY25 was based on thorough data analysis and number crunching by our Finance Manager, Sara Granstrom.

Although our actual sales growth fell short of our budget by 0.5%, we consider this a major achievement in MNFC creating a realistic budget with regards to sales growth. See the graph (bottom, right) to view the contrast of MNFC’s actual sales growth as compared to the budget. What we have learned from our experience in forecasting sales growth has served us well in once again creating a budget we believe to be our best possible FY26 forecast for sales.



Patronage Checks in August

We are thrilled that the Co-op has had a profitable year, and we will be issuing patronage dividend checks for the 10th consecutive year since members voted to adopt the system. Patronage dividends are a defining feature of the co-op model: profits are both returned to member-owners and reinvested to strengthen the organization.

The total patronage amount this year is **\$1,074,303**, and the Board approved a 30% refund. That means that the Co-op will return **\$322,291** to our community and to member-owners through dividend checks. The remaining 70% is retained by the Co-op on behalf of all member-owners. These funds are reinvested to maintain operations and ensure the long-term success of our store, becoming part of what we all own together.

Refund amounts are based on each member's purchases at the Co-op during the fiscal year (April 1, 2024 – March 31, 2025). However, checks under \$5 are not issued, as the processing cost exceeds the value of the check. Instead, these funds are pooled and donated to local food shelves: HOPE and CVOEO. This year, 1,652 checks totaling **\$3,633** will be donated. In addition, any patronage checks not cashed within six months will also be donated to **HOPE** and **CVOEO** at that time.

Thank you for your loyalty and support of our Co-op!

PATRONAGE DIVIDENDS

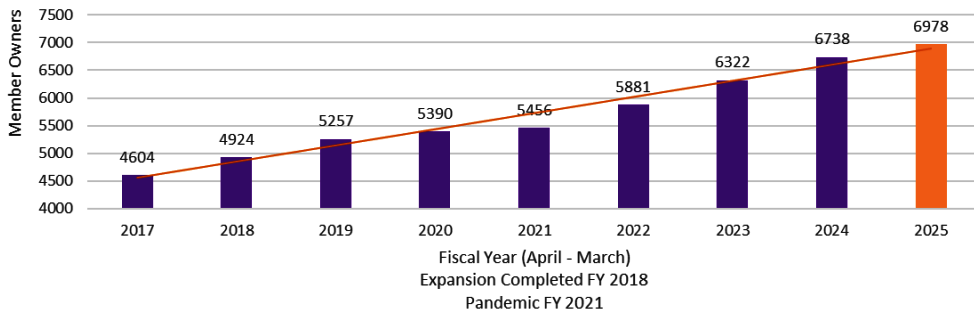


Membership

Membership and Equity Continue to Grow

Membership and equity growth remain strong: Membership grew **3.6%** this past year to **6,978** member-owners, and Member Equity increased by **6.4%** over FY24.

Current Member Owners
(bought \$20 share or reached 15 shares)



Bring a Jar, Take A Jar Program - In August 2024, MNFC received permission from the Vermont Department of Health to begin a reusable jar program for customers shopping in our bulk department. Customers are encouraged to bring in their clean glass jars and leave them in the bin clearly marked next to our nut butter grinders in the bulk section. The dropped off jars are then inspected for any chips, cracks or damage by our Bulk team. All jars that pass inspection are then washed, rinsed and sanitized. The jars are then labeled with tare weight and placed out onto the sales floor for customers to reuse and fill with bulk products - free of charge.

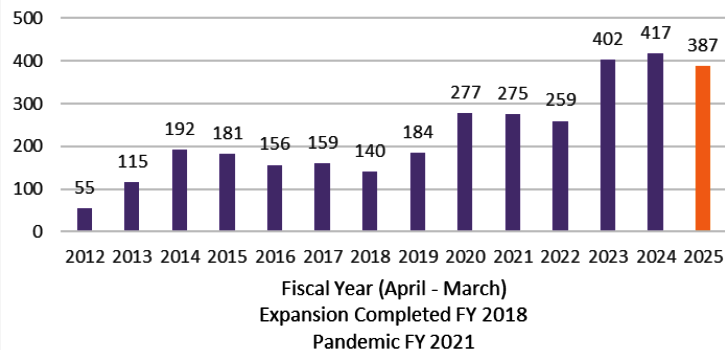
Food For All Program Update

MNFC launched the Food For All program in 2012, modeled on similar efforts at other co-ops locally and nationally. The program provides community members who have demonstrated financial need one year of paid membership dues (renewable annually with documentation) and a 10% discount on all purchases every day (excluding alcohol, by law). We offer an extensive list of ways to verify need and continue to explore additional methods to ensure Food For All remains accessible to those facing financial hardship.

Participation decreased this past fiscal year, despite FY25 being our first full year

Current Food For All participants

Program began July 2012.



accepting WIC—a benefit welcomed by our community. However, the total value of discounts distributed rose **22.9%**, from **\$82,437** to **\$101,311**, indicating that current Food For All members are shopping at the Co-op more than in the previous year.





Community Giving and Donations

Together we gave back over **\$130,000** to our community in FY25 — supporting local farmers, food shelves, and organizations that strengthen food access across Vermont.

Food Donations – Unsold (but still good) food was distributed to area food shelves and community suppers, ensuring it fed people rather than going to waste. In FY25, these donations totaled **\$73,614**.

NOFA Share the Harvest – Each year, 30% of one day's produce sales are donated to NOFA-VT's Farm Share Program, which helps limited-income Vermonters access local farm shares. On October 3, 2024, sales raised **\$3,161**.

Addison Independent Coupons – Customers clipped a coupon from *The Addison Independent* newspaper, and the Co-op donated \$3 to the featured nonprofit on their behalf. In FY25, this raised **\$750** for **Homeward Bound**.

In-Kind and Gift Card Donations – The Co-op worked directly with local nonprofits throughout the year, donating **\$3,442** in gift cards and products to support community programs and events.



Empty Bowl Auction – Community members bid on locally crafted pottery donated by the Middlebury Studio School. This year a raffle was added alongside the silent auction to make the event more financially inclusive. The Co-op matched up to **\$5,000** in bids, raising a total of **\$10,396** for local food shelves **HOPE** and **CVOEO**.

Round Up at the Register – Shoppers can elect to round up their totals at checkout any day, even outside of Rally for Change events. **\$4,680** was raised in FY25, with proceeds split evenly between **HOPE** and **CVOEO**.

Patronage Check Donations – Patronage refunds under \$5 (or uncashed after 6 months) were pooled and donated, generating **\$22,304** for local food shelves **HOPE** and **CVOEO**.



YOU ROUNDED UP \$3,003 WE MATCHED \$3,003

YOUR CONTRIBUTIONS
AT THE REGISTER HELPED
RAISE A RECORD-BREAKING
NOFA-VT'S FARMER EMERGENCY FUND

\$6,006.00

FOR



WOMEN | INFANTS | CHILDREN

WIC

**VT DEPARTMENT
OF HEALTH**

WIC Program Update

In November 2023, MNFC became eligible to accept WIC (Women, Infants, and Children) benefits, a federal program supporting moms-to-be, new moms, babies, and children up to age five with nutrition education and healthy food access. Not all foods qualify, and many WIC benefits are tied to specific brands. While this is changing, it has been a challenge for MNFC given our natural and organic product focus.

FY25 was our first full year accepting WIC. We processed 1,019 eligible transactions — sales that would otherwise have gone to conventional supermarkets — totaling **\$115,143**, with an average transaction of **\$112.97**.

The Many Benefits of WIC Program



Reduces food
insecurity



Alleviates
poverty



Supports economic
stability



Improves dietary
intake



Protects against
obesity



Improves birth
outcomes



Improves health
outcomes



Supports learning
and development



Reduces health care
and other costs



Improves retail food
environments



MIDDLEBURY
NATURAL
FOODS
CO-OP

Thank You!

None of this would be possible were it not for member-owners such as yourself, who trust and believe in the power of cooperative ownership.

THANK YOU FOR
YOUR CONTINUED
SUPPORT!

AT THE CO-OP

Your Locally Grown, Community Owned Grocery Store - Since 1976

\$73,614
OF FOOD DONATED

7000 ACTIVE
MEMBERS



71% of our waste
is diverted to
composting
or recycling facilities



COMPOST

21
TONS



RECYCLING

29
TONS



CARDBOARD

65
TONS

35% of
Purchasing DOLLARS
SUPPORTS
LOCAL Vendors

400+
LOCAL
(Vermont)
PRODUCERS



Data Reflects the Most Current Fiscal Year