Questions or concerns about patronage refunds?

Please feel free to contact your Co-op.
You can reach us by calling
388-7276 x224
or by email at
patronage@middlebury.coop

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

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.

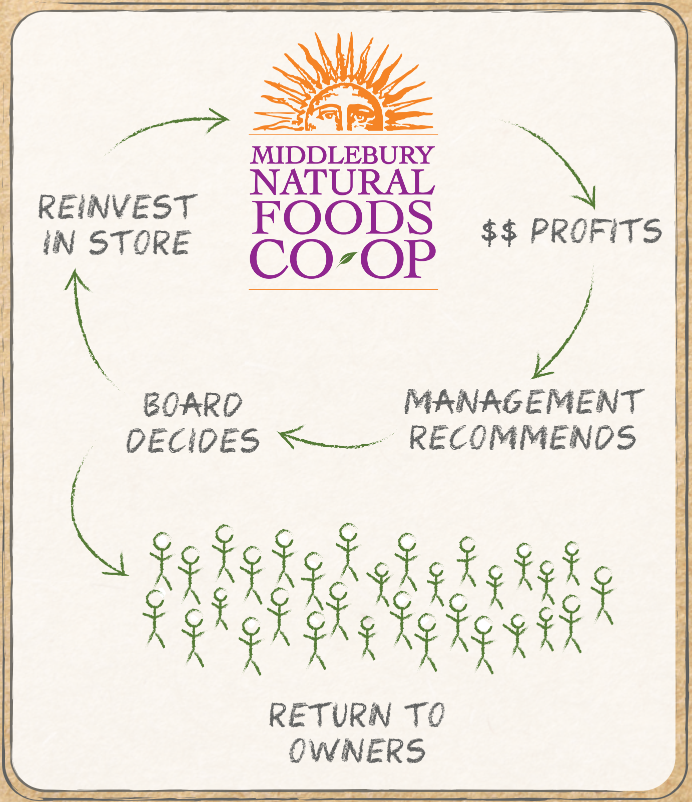
The amount retained stays in the Co-op. It belongs to the member-owners as a group, and becomes part of what we own together as an investment in community ownership. The remaining profits are then returned by check or voucher to the member-owners. Law requires that at least 20% of patronage be returned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

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

All discounts *(ex: Senior Discount, 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 five or six months after the end of our fiscal year. It takes several months for fiscal year accounting to be completed and reviewed by our CPAs.



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 = **$22 million**
Member-owners account for 80% of store sales and therefore 80% of profits
Member-owner store sales = $17.6 million

Year-end profit = **$500,000** *before taxes & dividends*
Member-owners' 80% of profits = **$400,000**

The Board decides to retain 80% and rebate 20% to members (minimum by law)
Cash payout portion = $400,000 x 0.2 = $80,000

Jane X has made $2,600 in purchases in the year ($50/week)
$2,600/$17.6 MM = **0.01477% of member profits**
Jane X's dividend = $80,000 x 0.0001477 = $11.82

Can I donate my dividend to a good cause?

Yes, your board selects organizations that help people in need access healthy foods, such as our local food shelves, and you will have the option of donating your dividend to the Co-op's chosen organization(s). Unredeemed patronage will automatically be donated.