Challenges & Opportunities:
Living Our Mission & Values

Values are basic and fundamental beliefs that guide or motivate attitudes or actions. They help us to determine what is important to us... Values are the motive behind purposeful action. – Steven Mintz

Early this year, our board of directors finalized the wording of our co-op’s Mission, Values and Purpose (see back cover). This work represents the culmination of many hours of brainstorming and collaboration with co-op staff, managers, Owners and other community members.

This achievement is especially important now, as we have faced several challenges in our seventh year of operation, including:

• New competition, especially from Costco, has resulted in a 3.5% decrease in sales. (We experienced much higher growth than expected in 2018, so the drop is not unexpected or excessive.)
• A crisis in state finances, which affects many members of our community.
• Higher than average manufacturers’ out of stocks, problems with distributors, and freight delays.
• Growing awareness of our industry’s role in excessive food waste and use of plastics.

By looking at each of these challenges through the lens of our values, we will be able to identify opportunities, set priorities and make decisions that align with our mission and purpose.

In 2019, we’ve started several new initiatives and made changes and improvements that reinforce our values of Service, Sustainability and Social Responsibility.

Sustainability – From creating a free shopping bag exchange and offering free cardboard boxes to forming a new Plastics Reduction Task Force, we’ve made sustainability an important project for 2019 and years to come. (See the General Manager’s Report on page 3 for more information.)

Ownership: In Good Standing

Co-op Market Ownership comes with both benefits and responsibilities. What does it mean for an Owner to be considered “in good standing”? And why is it important?

To be considered in good standing, Owners must either have paid their full $200 investment or have made a payment of at least $5 toward their investment within the last quarter.

Our Bylaws state that Owners must be in good standing to receive Owner benefits. This

Continued on page 7

Continued on page 4
Letter from the Board
Vote with Your Dollars and Time

What kind of community do you want to live in?

Our vision for our community has healthy people and a thriving local economy that contributes positively to the greater world. We are passionate about Co-op Market because we believe a community-owned cooperative can be a key player in achieving this vision.

Indeed, it already is: Co-op Market offers affordable, healthy food in an area that had no grocery store for many years. The co-op connects local farmers and producers with consumers, and offers multiple avenues for supporting those who are less fortunate.

This year, we (the board of directors) reaffirmed our commitment to the values of Service, Sustainability, and Social Responsibility. Co-op management and board use these values as a basis to make decisions for everything from product selection to the future of the organization.

Vote with Your Dollars

You affirm that you share these values by voting with your dollars. When you shop at the co-op, you do more than feed your family. You actively vote for best practices that you expect from a responsible, sustainable business.

One such best practice is waste reduction. We are proud that Co-op Market has always eschewed plastic grocery bags, offered plant-based alternatives to plastic, and encouraged bulk buying and reusable bags. Small actions add up, and Co-op Market gives you the ability to make a difference for the planet.

Small actions – your choices – also make a difference for businesses. When consumers choose to support local businesses first, those businesses can afford to reinvest in the community.

Co-op Market works hard to provide a good variety of quality products at affordable prices. If you value that service, you can ensure the co-op’s longevity and growth. As co-op Owners, you are investors, and it’s your responsibility to ensure the success of your investment.

How? Continue to shop at the co-op, and choose it first for your grocery needs. Then, spread the word about the value of the co-op.

Finally, if you share our vision for our community, please consider further engaging in the co-op. Volunteering is the ultimate exercise in democracy. You vote in elections once a year, but when you volunteer, you vote every day for the kind of community you want to live in.

We have a need for volunteers, especially those with an interest in joining the Board of Directors. The board, which acts on behalf of all Owners, oversees our co-op’s financial condition, connects to our owners, shapes our co-op’s

Continued on page 7
General Manager’s Report

Can We Be Plastic Free in 2023?

By Mary Christensen

One benefit of our membership in National Cooperative Grocers – our co-op of retail food cooperatives – is the combined power of all 148 participating co-ops to act on our concern for the world we live in. In recent years, two global problems have emerged as an immediate focus for food co-ops. One is the effort to find plastic-free packaging solutions, and the second is doing our part in the work to address the global climate crisis.

At our 2019 Spring General Managers’ Meeting, NCG announced the formation of a Better Packaging Solutions Committee. The committee, which included GMs from 11 co-ops around the country, reported back to the Fall Meeting in September. The committee identified the following themes:

- Shoppers want and ask for less plastic.
- Finding alternatives is a struggle.
- Offering compostable produce bags is a first step.
- Co-ops are looking for what to prioritize.

They suggested that co-ops take these actions:

1. Form a plastics reduction task force and adopt a formal store-level goal.
2. Find the “quick wins” in our supplies and on our shelves.
3. Take steps to influence the supply chain for longer term and more complex solutions.
4. Celebrate small successes, and find ways to engage Owners in the process.

C.E. Pugh, NCG’s chief executive officer, announced that the Co+op Deals program will no longer feature sales on any water in plastic bottles. He asked NCG co-ops to consider eliminating the sale of water in plastic bottles smaller than 1.5 liters. And he announced that NCG’s “big goal” is to be Plastic Free by 2023.

Our Own Plastics Reduction Task Force

In keeping with our co-op’s values of Service, Sustainability and Social Responsibility, we have formed our own task force to reduce single-use plastics at Co-op Market.

Task force members include Hannah Prenger, Deli Team Leader; Kirsten McGraw, Bulk Department Buyer; Abby Waldorf, Lead Cashier; and myself.

Our task force will identify the things we can do immediately, as well as steps that will take research and planning to implement. We will announce our formal goal at this year’s annual Owners’ meeting on October 19.

We began taking steps to to reduce all kinds of waste in the store – including plastics – early this year. Our first big initiative of 2019 was to begin charging 25¢ for large paper grocery bags. As an alternative to paper bags, we set up a reusable bag exchange, in addition to our free cardboard boxes. (We have never offered plastic grocery bags.)

Continued on page 6
Living Our Mission & Values

Continued from page 1

Access to Ownership – Recognizing that our initial Ownership investment of $25 might be a barrier to many people, we changed it to $10 at the end of August. The response has been incredible: We’ve welcomed 82 new Owners since then.

Education & Outreach – In April, for Earth Month, we hosted two workshops by Brittany Karns of Zero Waste Fairbanks. In June, we sponsored a Community Seedling Swap. In August, we had fun helping Co+op Explorers kids learn about delicious healthy snacks by creating Fruit & Veggie Bugs.

Wellness Wednesdays – Starting in February, every first Wednesday of the month we offer 10% off all regularly priced health, beauty and body care products. But this isn’t just a sale: Our first event featured chair massages for stress reduction, and every month our Wellness buyer offers product information, samples and prizes. These sales are good for everyone.

Operational Excellence – Facing competition from Costco and slower sales, we decided the best way to succeed is to continue operating in accordance with our values and to offer the best customer service and product selection possible.

• Our Deli has shown the highest sales growth – up 52% over the last four quarters. We continue to offer two hot soups daily, and the Deli crew keeps the grab-n-go case stocked full of freshly made sandwiches, salads and desserts. We’ve brought back two much-requested items: our hot breakfast burritos (a real bargain at $6.99 each) and our house-made organic chai.

• We changed our store hours to open at 7 a.m. so early risers can stop by before work or shop when the store is less busy.

• We’ve sought and found new producers and suppliers for organic produce and local meats, and we’ve begun offering more frequent Fresh Deals sales in these departments. (See page 5 for local and organic sales figures.)

• We’ve focused on hiring and training excellent staff, especially at the Front End. Our reviews consistently give our employees high marks for friendliness, attentiveness and knowledge.

Our vision for 2020 is a year of innovation and growth. How can you help? Start by helping us achieve our sales goals: Add just $5 to your basket the next time you shop. Your support will ensure that a values-driven store continues to thrive in Fairbanks.
When you shop at your co-op, your dollars are doing good. In the past year*, you’ve supported:

**USDA Certified Organic Foods**
- 2759 products
- 439,726 units sold
- totaling $1,830,333

**Fair Trade Certified Goods**
- 461 products
- 33,565 units sold
- totaling $177,462

**Certified Non-GMO Foods**
- 1510 products
- 133,498 units sold
- totaling $580,614

**Local Foods & Products**
- 320 products
- 37,628 units sold
- totaling $198,457

Our definition of local includes foods and products grown or made anywhere in Alaska.

So far this year we have sold $50,182 worth of local fruits and veggies, up 73% over the same period last year. Local foods now make up 20% of our Produce department, up from 11%.

(Did you know? All of our Produce is local or organic – or both.)

In the Meat department, local sales have totaled $59,288 this year, and 28% of our meat and seafood products are local. Organic meats, currently at $99,204, account for 27% of the department total.

Local products make up 24% of our Bread & Bakery items. We’ve sold $36,418 worth of local baked goods so far this year – more than double last year’s $17,745.

We do stock many local items in other departments across the store, including Wellness, General Merchandise and Grocery.

**Other Goods Sold**
- 4122 products
- 294,166 units sold
- totaling $1,492,206

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**Why Shop the Co-op?**

**You’re Building a Better World & a Stronger Local Economy**

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* Sales data from October 1, 2018, through September 30, 2019.
2019 by the Numbers

- Current Sales Growth: -3.5%
- Sales Growth for Last Four Quarters: 1.5%
- Target Sales Growth: 4%
- Projected Total Sales: $4.2 million
- Co-op Owners: 4123 (up 6%)
- New Owners 9/1-9/30: 67
- Sales to Owners: 66%
- Average Purchase: $35
- Daily Transactions: 335
- Employees: 31 total, 21 full-time
- Lend a Hand Donations: $24,131.92 year to date
- Total Lend a Hand (since 2013): $111,598.58

“‘As a cooperative business, we have a responsibility to care for community and support other cooperatives. Working with our supply chain to develop solutions to the climate crisis is work we pursue on behalf our members co-ops.’” – C.E. Pugh

GM’s Report: Can We Be Plastic Free in 2023?

Continued from page 2

This action plan had immediate measurable results:

In 2018 we used between 8 and 10 cartons of paper bags each month and spent $13,000 on them. This year we’ve used less than one carton per month!

In September we decided to stop selling the half-liter plastic bottles of Alaska Water when our current stock is gone.

Call for Metal Spoons and Forks

We want to reduce the number of compostable plastic utensils used at our Deli counter. Our idea is to set up an exchange system of “take-out and bring back” metal utensils.

We’ll set up bins of donated metal spoons and forks. For people purchasing to-go food, these utensils will be free to take on an honor system: Just bring them back the next time you’re in the store and drop them in the bin for used dishes.

You can help us get started by donating any extra metal silverware you might have. We’ll be collecting it at our annual meeting October 19th and will set up our new system the following week.

Global Climate Crisis Response

Another urgent issue that touches our values: As cooperatives, how can we have an impact on efforts to mitigate climate change?

For many years, NCG has offset the CO2 emissions generated by our business travel by planting trees in the Amazon rainforest. In response to the recent dramatic loss of Amazon rainforest to fire, NCG has increased the number of new trees planted from 3,352 to 7,000.

These trees are being planted in the San Martin region of Peru. This investment is NCG’s seventh annual contribution in cooperation with cocoa co-ops. To date, NCG’s offsets have facilitated the planting and conservation of nearly 2 million trees in the Amazon.

Find out more about NCG’s Co-op Forest Carbon Offset Program by visiting www.strongertogether.coop.

“One bee is an annoyance, but a swarm is a game changer. Small acts in big amounts are a force to be reckoned with.”

– Rachel Thompson
Ownership: In Good Standing

Continued from page 1

is especially important for our annual Board of Directors election: Only Owners in good standing can vote, and we must get votes from at least 10% of them for the election to be considered valid.

Please note that in 2020, we will require Owners to be in good standing in order to receive other benefits, including the 10% discount on one shopping trip during Owner Appreciation Days.

We have made a special effort to help our Owners get up to date in the months leading up to the 2019 board election. We sent reminder postcards to those who had fallen behind on payments. Cashiers have also been reminding Owners about the requirement. We appreciate those who have responded positively.

Many of the postcards we sent were returned to us as not deliverable. It is critical that we have current contact information for every Owner, so if you haven’t updated your mailing address and email recently, please do. Cashiers may also ask you to review your contact info at the register.

Remember: Your investment dollars are what sustains our store. We could not have opened without tremendous Owner investment and dedication, and we cannot continue to grow and improve without them.

Letter from the Board

Continued from page 2

vision, and works closely with our general manager to set long-term strategies.

There are many reasons to feel optimistic about the future, and the co-op is one of them. We support the co-op with our shopping dollars and volunteer hours, and you should, too! Supporting your local economy pays dividends in your community.

In cooperation,

2018-2019 Board of Directors

Art Gelvin
Brian Kassof
Anduin McElroy
Chase Nelson

Madeline Patterson O’Dell
Rich Seifert
Hilary Shook
Jodi Tansky

Our Deli’s Curried Tofu Salad

Yield: 8 servings

- 2 pounds tofu, sliced in thirds lengthwise
- 1 cucumber, seeded & cubed
- 1 bunch green onions, sliced thin
- 1 cup dark raisins
- 1 cup pumpkin seeds
- 3/4 cup Vegenaise
- 1 tablespoon curry powder
- 1 teaspoon salt
- 1 teaspoon pepper
- fresh parsley to taste

1. Toss together tofu, cucumber, onions, raisin and pumpkin seeds to incorporate evenly.
2. Whisk together the Vegenaise and seasonings and add to tofu mix. Toss again until evenly mixed.
3. Taste and adjust seasonings. Enjoy!

(Note: We use Alaska Sprouts tofu made in Anchorage.)

Our Purchasing Priorities

1. Local farmers and producers in Fairbanks and the surrounding area
2. Alaska grown and produced
3. Organic and natural products from our national distributors

If every one of our active Owners added just one $5 item to their basket, we would reach our projected sales target for 2019.
Co-op Market Report

MISSION – Co-op Market Grocery & Deli works for health and sustainability by providing healthful foods and products, promoting local suppliers, and offering consumer education in an open, community-centered environment, through a viable business.

VALUES

Service – We are committed to the joy of true service, putting the needs of others first in a way that touches lives and hearts. Our service is an honor and a privilege.

Sustainability – We seek to sustain our co-op’s financial health and growth while working toward solutions to economic development that consider the health our our community and planet.

Social Responsibility – We believe that our actions must benefit the global community at large. This means that we promote justice and equity in all of our relationships and are committed to the people who use and work for our business.

PURPOSE – We serve our community and planet with a cooperative grocery business focused on healthful options.