



## THE FOOD CO-OP ANNUAL REPORT

# 2020

*Love & Appreciation*

“Working together to nourish our community.”  
Thank you to all of our members and community.  
We could not have made it without you!

**BOARD OF DIRECTORS**

Owen Rowe,  
Board President

Juri Jennings,  
Board Vice President

Claire Thomas,  
Board Secretary

Charlie Dick,  
Board Treasurer

David Dunn,  
Board Member

Lisa Barclay,  
Emeritus Board Member

Monica Le Roux,  
Emeritus Board Member

**GENERAL MANAGER**

Kenna S. Eaton,  
General Manager  
gm@foodcoop.coop

# A Challenging Year

## RENEWS OUR CONNECTIONS

by Juri Jennings, Board Vice President

Where does one start with 2020? It has challenged me and my family in all directions. It has also challenged our grocery business in all directions: from disrupted supply chains, unprecedented safety protocols, pressures of DEI (Diversity, Equity and Inclusion) work, disinformation on the internet, and everything else I left out here. For me, it felt like we were in this dark maze, not only with a mask, but a blind fold, too, and things kept on getting worse. And the worst feeling of it all was the realization that for some members of our community, this isolation and oppression has been their whole life all along, living in the worst of circumstances because of their differences.

2020 was also a year that brought a spotlight on how dysfunctional global supply chains are during a pandemic. At the Co-op, we experienced a positive side to this problem, with so many of our local vendors and distributors stepping up and filling the gaps. And hopefully this new opportunity (or non-opportunity) has brought local businesses different avenues for—and perspectives of—community support, in which one could re-discover the happiness of getting up in the morning to do the work.

“Working together to nourish our community.” Our mission could not be more appropriate in tackling the challenges of the coming years.

Being a proud member of the Co-op Board as well as delivering groceries (my new business that grew out of the crisis) keeps me feeling connected to my community. I am also a mother of a two-year-old, and find myself always questioning how to be a mother, and also how to be a good friend to fellow mothers experiencing the challenges of raising a brand new human being who seemingly absorbs everything.

I realize that what matters most are the people who are close to our lives, who nourish each other and keep us in the middle lane—preventing us from running too fast, but also challenging us to take a risk.

We thank you for being an active member of the community, and for all the things that you do that we don’t know about.

Cooperatively yours,  
Juri Jennings

# Love & Appreciation

by Kenna S. Eaton, General Manager

2020 was a heck of a year. You were there, so you know that. You've witnessed the ripple effects within our Co-op as well as in the greater community, the country, and the world. COVID has affected all of us.

Here at the Co-op we've experienced it through extra sanitizing, Plexiglass shields, and masks, and from social distancing in the store to curbside shopping. From the get-go, staff at the Co-op jumped in to ensure we kept our shoppers and ourselves safe. First, they implemented operational changes such as switching our salad bar from self-serve to packaged and figuring out how to limit access to our bulk room so we could all keep a safe distance. Then, in the ensuing months, they found ways we could do our work within the continually evolving mandates of all the different governing bodies: the Jefferson County Health Department, Labor and Industries, the Liquor/Cannabis Board, and the State of Washington itself.

We believe in the importance of keeping wages moving upwards, so we instituted a \$1.10 per hour raise at the beginning of the year. Then recognizing the difficulties

of working under stressful pandemic conditions, we gave staff an extra \$2 per hour, which we later converted into a permanent pay raise. And at the end of the year, using some of our Paycheck Protection Program funds, we were able to give \$100,000 to staff as a bonus.

Thank you, members, for your sweet notes of support and appreciation throughout the year. Those brought us much needed joy during the long, dark days of winter. And staff kept our spirits high with extra treats like little bags of Wellness goodies.

Thank you also to the local mask makers, who turned their skills into a wonderful gift of protection and fun. Thank you to our board and volunteers who jumped in to help us launch a shopping and delivery service for those who couldn't come into the store, which we've since been able to convert into an online shopping option. The ways in which all our staff and our members stepped up and shone throughout the year has been both humbling and impressive!

Thank you all,



**\$1.10**  
/hour raise at  
the start of  
2020

**+\$2**  
/hour additional  
Covid raise

  
**123**  
employees

**\$100K**  
PPP funds given  
as staff bonus



# When the Co-op Hit the Road

by Lisa Barclay, Board Emeritus

Last spring was a scary and confusing time. As the dangers of Covid became more apparent and the state lockdown began, many members could no longer shop for their food. Since staff at the Co-op were inundated with work to keep the store as safe as possible, they simply didn't have enough bandwidth to shop and deliver food, too. That's when the co-op community stepped up.

Juri, our board VP, asked me and fellow board member Monica to help get food to people. Having no idea what we were getting into, we came up with a plan—with input and support from front end manager Dave—to shop for and deliver food on Sundays and Thursdays. Then we put out a call to Co-op members for help. The response was tremendous—we had more volunteers than we could use. Most people were not working during the lockdown and everyone really wanted to help during this crisis.

The logistics for this new service were complicated: organizing shoppers and drivers; compiling orders and arranging lists by store department for smoother shopping; grouping deliveries by address plotted out on Google maps to consolidate delivery runs; arranging for payment; and even the mechanics of smoothly handing off boxes of groceries to the drivers. As you might expect, there were a few hiccups with this totally new service. It's really hard to shop for someone else! And customers at home had to work from memory—and yet be as specific

as possible—to make their lists. There were a few items delivered that weren't quite as expected—whole boxes of chocolates instead of the single servings sold at the checkout line, for instance. And sometimes we had to improvise, like the time the gate at Kala Point wouldn't open. Luckily, the house wasn't too far from the gate, so we could walk in the groceries.

Staff were terrific—helping designated shoppers find unfamiliar items, making sure we could check out as expeditiously as possible, and calling customers to get their payment information. Staff were always calm and helpful, no matter how crazy it got. And then they were able to use what we learned from the process to help launch Coop2Go, which is much more sophisticated than our operation, to put it mildly, with photos of items, prices, and even online payment. I'm still amazed how quickly they were able to get such a complex system up and running. Andrea in Marketing and Lisa in IT pulled together to get 11,000 items in the new system!

A new business also grew out of this volunteer work. Juri started a service to deliver Co-op goods by bike, called PeddlerPT. How cool is that?! And there's yet another community connection here: Rick of Cape Cleare and Heidi, one of our volunteer drivers who used to bike salmon for Rick, helped Juri develop her trailer system and passed on their insider tips, like how to ride a utility bike in the wind without tipping over or blowing away.

All in all, we had a lovely time meeting so many friendly and generous Co-op members, and I just want to say how grateful I am to live in a community like ours. Thank you!



May 2020 - So many staff to thank...

*Keeping the co-op running smoothly is a challenge in optimum circumstances. That it is running safely and with such calm and efficiency during a pandemic is an impressive accomplishment. Each of you had contributed to that. Take your bow. So thank you again for being such a constant and stabilizing force in PT, for keeping shelves stocked, for your shopping, and delivery, for helping keep the community safely fed and nourished. With kind regards, A Member*





# Community Sharing 2020

By Andrea Stafford, Marketing Manager

What does it mean to nourish a community? Sure, it can mean feeding people nourishing local food, but it can also mean supporting the community as a whole, sharing prosperity and organizational resources when feasible. One of the greatest things about being a co-op is that we share our profits, and part of those funds are shared with the amazing nonprofits and community groups doing the necessary work to making Jefferson County a great place to live.

In order to make the biggest impact in the areas we are most passionate about, the Co-op focuses our efforts on organizations that work within our 4 Pillars of Giving: Food Access, Sustainable Land and Sea Stewardship, Healthy Communities, and Supporting the Co-operative Model. Last year we also made a promise to work toward a more equitable community by supporting projects and organizations doing diversity, equity, and inclusion work. In the inaugural year, 10% of our total giving was geared towards organizations and programs addressing racial equality, which included an investment into the Jefferson County Farmers Markets' BIPOC (Black, Indigenous, and People of Color) Business Start-up Fund.

One of the most successful giving programs we use to further our community sharing goals is our Beans For Bags program. We started Beans For Bags (B4B) back in 2008, and over the years we have seen significant growth in the program. B4B rewards shoppers for their sustainability efforts by giving 5 cents back for each bag re-used. Customers can either keep the bag credit OR get at bean (= \$.05) to donate to 1 of 3 nonprofits in Jefferson County, which rotate every two months. Last year was a little different due to Covid-19 restrictions. For the first few months, reusable containers were discouraged and we all had to use new bags. As bag supplies began to

shrink, reusable containers were encouraged again. By the end of the year, we'd been able to donate \$10,500 to local organizations—\$4,500 going to the local food bank—a slight decline but something to celebrate none the less. For comparison, in 2019 we donated over \$12,500 to local organizations. So don't forget to reduce and reuse those bags and containers.

## Food Access

Providing access to healthy nutritious food is super important to us. Food Co-op donated 6400+ items of food to the Jefferson County Food Bank, worth \$25,000 retail. We also extended support to the Food Bank with annual cash donations, a pick-up bin located in our lobby for customer food donations, and a permanent Beans For Bags donation jar, in addition to our weekly food donations.

We continued to subsidize food access at the Farmers Markets for their "SNAP Market Match" program, which doubles the purchasing power of Supplemental Nutrition Assistance Program (SNAP) dollars.

In 2020, we were excited to see the Food Bank Farm and Gardens putting their new food dehydrators to good use preserving the local bounty, a project we supported financially in late 2019.

Using the interest generated by our participation in the Twin Pines Cooperative Community Fund, the Co-op's Grow Fund awarded \$1,070 to both Peddler PT and the Food Bank Farm and Gardens to develop a bike food-delivery program serving many families impacted by the pandemic.



## Sustainable Food System Development

In 2020, the Co-op furthered its commitment to farms, farmland, and organic producers across the North Olympic Peninsula. Our ongoing partnership with the Eat Local First Collaborative allowed us to help launch the first annual Eat Local First Month for the Olympic Peninsula and develop a new online Food and Farm finder tool for consumers. The Co-op provided financial support for the Jefferson Land Trust in its pursuit of protection for threatened farmland in Jefferson County by sponsoring events and through our Change for Change program, a program that allows our members the opportunity to round up the change of their purchase to the nearest dollar to support non-profits and co-ops that fit into our areas of community sharing.

The Co-op also provided financial support to the Covid Farmer Relief Fund, managed by the NODC (North Olympic Development Council), which helped farmers navigate some of the difficulties that arose from the pandemic. The fund raised over \$120,000 for ten farms, who supplied area food banks and other access programs with fish, meat, goat cheese, raw milk, produce, and honey.

## Healthy Communities

The Co-op also works to support a healthy community through strategic partnerships, community sharing, and participating vendor programs.

### Strategic Partnerships

For the third year, in partnership with Jefferson Healthcare and the Jefferson County Farmers Markets, we offered families who qualify for Apple Health and have children 18 and under a \$50 voucher for fresh fruit and vegetables (called VegRx). Vouchers were given out by Jefferson Healthcare clinicians when children came in for a medical appointment or a Well-Child-Check. VegRx vouchers were redeemable at the Port Townsend and

Chimacum Farmers Markets June through December and at the Food Co-op in Port Townsend January through March. Visit the market info booth or ask your child's doctor at your next medical appointment for more information about VegRx.

**Community Sharing** Last year, the Co-op supported dozens of local nonprofits and organizations through in-kind donations and event sponsorships, with the goal of nourishing the community through education and outreach. The Co-op values the importance of supporting organizations doing meaningful work in our local as well as our larger regional community, so we share as much as we can. For instance, two things we do regularly that may go unnoticed: at Head Start, the Co-op supplies organic milk for children ages 3-5, and we donate organic broths to the Just Soup program, which provides soup weekly to those who are looking for a hot meal.

### Vendor Support Programs

In partnership with the Organically Grown Company, we sold bagged Farm to School Apples benefitting the Community Wellness Project Farm to School programs at the Chimacum, Quilcene, and Salish Coast elementary schools which totaled \$1,606.

## Supporting the Cooperative Model

We love cooperatives and look for opportunities to help other cooperatives grow and thrive. We do this by financially supporting organizations that share this goal, including the Twin Pines Cooperative Foundation, the Food Co-op Initiative, and the Olympic Cooperative Network, because together we can do more.

To learn more about The Food Co-op's community sharing programs, please visit [www.foodcoop.coop/communitysharing](http://www.foodcoop.coop/communitysharing).

# Connecting with Our Community

## BY THE NUMBERS

### Food Access



**\$1,606**  
**COMMUNITY WELLNESS PROJECT**

Farm to School Apple donations



**6400+** items  
**\$25,000** (retail value)  
donated to the Food Bank

### Healthy Community



**\$1,800**  
**CO+OP EXPLORERS**  
free fruit given to kids



**\$850**  
**BIKE BENEFITS**  
free fruit given to bicyclists

### Sustainable Food Systems



**\$2000+**  
to **BIPOC organizations**  
doing food system work in our local  
and regional communities



**\$2500**  
**COVID Farmer Fund**

### Nourishing the Community



**\$14,470**  
**LOCAL SPONSORSHIPS**



**233,500**  
beans collected



**\$21,720**  
**LOCAL DONATIONS**



**\$1070**  
**GROW FUND**  
awarded to **2** local organizations  
PT Peddler & Food Bank & Food  
Gardens



**60**  
**PARTNERS SUPPORTED**



**136** students enrolled  
in free online cooking school

# Farming During Covid: GIVE LOCAL TWICE THE LOVE

by Amanda Milholland, Produce Manager

This past year, we had a reality check as COVID-19 caused disruptions in the food supply chain, impacting grocery store shelves even here at the Food Co-op. While shoppers felt the unease and insecurity of shortages, local and national farmers have been struggling to survive the economic hit. The Food Co-op's work to "Give local twice the love" continues to play an important part in our local economic recovery.

This last year was a challenging one for local and regional farmers. We experienced a wet spring in Jefferson County, forcing farmers to start planting late and reducing the overall production of many crops, especially spring and long-growing-season crops such as winter squash. While farmers know climate fluctuations are a constant companion, no one was prepared for a pandemic. Farmers were planting spring crops and getting ready for the farmers market season when COVID-19 emerged in March. As we begin the next local growing season, it is an important time to reflect on how COVID-19 has impacted local farmers.

## Market Disruption

Our Jefferson County farms and neighboring county farms rely on local and regional buyers: grocery stores including the Food Co-op; restaurants and other small-scale wholesale buyers; and direct sales at farmers markets, farm stands, and through Community Sustained Agriculture (CSA). In 2020, farmers markets nationally were forced to start their seasons late. This happened at the same time that restaurants closed their doors to most dining. Some farms reported as much as 50% loss in annual income due to COVID-19 disruptions, according to the Jefferson County Farmers Markets. The farms that fared best in 2020 were those with diversified income streams, such as established wholesale relationships, CSA programs, and farm stands. However, many of these farms still reported as much as 15-30% in sales reductions.

**Local 5 is defined as Jefferson plus the four surrounding counties: Clallam, Kitsap, Island & Mason.**



## Increased Costs

At the same time farms were experiencing decreased income, they were required to practice increased safety precautions, requiring financial and staff time investments. For example, farms were required to provide hand washing stations and/or hand sanitizer and masks to their staff, implement social distancing, and change their market layouts so only farm staff touched produce before purchase. While the federal government rolled out farm relief packages in response to COVID-19, these were designed to serve large-scale agriculture and were generally not available for small to mid-sized farms.

## Successes

COVID-related supply, transportation, and labor force disruptions revealed many faults in our food system. At the same time, there were some great successes that supported the continued operation of local farms as well as local food security. Local farms became suppliers to our schools and food banks thanks to financial support from the North Olympic Development Council, the Jefferson Community Foundation COVID-19 Response grants, and the Farm to Food Pantry program. Seeing the vulnerability of our local food system, community members joined CSAs and increased their farm stand shopping. The Jefferson County Farmers Markets opened an online store to serve local farms as well as shoppers who were not able to shop directly at the farmers market. These and many other local efforts helped Jefferson and neighboring county growers make it through the first year of COVID-19.

## What Now?

While COVID-19 vaccinations have begun, we are not through the pandemic. Robust local farms require community commitment and investment. The Food Co-op's commitment to "Give local twice the love" is part of this investment. Efforts like the "Eat Local" month in September and prioritizing purchasing local crops when available—even if they come at a higher price—help support the survival and resilience of our local farms. We are a part of our local food system. Our practice of choosing local has a ripple effect that sustains local farms.



# Diversity, Equity & Inclusion

By Juri Jennings, Board Vice President

2020 marks the year the Co-op board officially formed a Diversity, Equity, and Inclusion (DEI) Committee. We started this work several years ago, but it was the deep sorrows and the tragedies of 2020 that pushed us to bring this topic to the front burner.

The work we have done thus far includes both personal and collective learning experiences for the general manager and the whole board, including:

- Forming a steering committee to guide the Co-op board in our DEI work.
- Creating a DEI Library so board members and managers have access to a wide variety of carefully selected books on the topic.
- Individual board members attending the Local Anti-Racist Training as well as online training sessions and conferences in DEI work provided by our cooperative network.
- Several guided “Study and Engagement” sessions with our board consultant from Columinate. Our readings included *Between the World and Me* by Ta-Nehisi Coates, *Eloquent Rage* by Brittney Cooper, *Braiding Sweetgrass: Indigenous Wisdom, Scientific Knowledge, and the Teachings of Plants* by Robin Wall Kimmerer, and *Freedom Farmers: Agricultural Resistance and the Black Freedom Movement* by Monica M. White.
- Discussing how our culture perpetuates white supremacy, in particular how it can show up in our work culture and what the antidote might be.
- This summer we plan smaller, more focused groups for projects such as researching potential community

partnerships, looking at our governing documents from the DEI lens, and studying *My Grandmother’s Hands: Racialized Trauma and the Mending of Our Bodies and Hearts* by Resmaa Menakem.

This work will not be fast, and it shouldn’t be. One idea that stood out for me in our studies is that even a seemingly straight-forward concept like “we should move quickly and efficiently” is actually part of our history of racism. Being quick and efficient seems such a normal thing to strive towards, but it can exclude people and ideas. What is so scary to me is that it is how I have lived pretty much my whole life!

It is frightening to question the foundations we’ve built our lives on, and we each have different ways of dealing with these emotions. The board knows we can only do our DEI work effectively in a safe environment, where it is okay to make mistakes and where we work together to correct them. A safe community like this is powerful—and a privilege of its own.

The board is in this for the long haul. To fulfill our civic duty as community members and representatives for our Co-op member-owners, we’ll strive to provide an equal and safe platform for all colors, genders, and accessibility needs, so that we all have an equal chance.

With hope,  
Juri Jennings  
DEI Steering Committee Chair



# Looking at Finances

by Charlie Dick, Board Treasurer

From a financial point of view, 2020 was a most interesting year, with many twists and turns along the way to serving the members' needs. The 2020 Business Plan was crafted well before the Covid pandemic surfaced, and that initial version of the plan forecast a sales increase of 5.8%. However, when the year ended, sales in 2020 totaled almost \$18.2 million, which is 12.4% above sales in 2019. Even though this increase in sales is more than double than what was anticipated, our safety practices and the regulations imposed on operations in 2020 grew substantially during the progression of the pandemic. These new regulations resulted in increased operating expenses of \$1,173,531 versus 2019. The primary driver of that increase came from the need for extra staff and staff hours. Thus, at year-end there was a net operating loss on sales of \$98,072. Unfortunately, with a net operating loss result for the year, the Co-op cannot offer a patronage dividend in 2020.

However, receipt of the Payroll Protection Plan (PPP) and Economic Injury Disaster Loan (EIDL) monies from the Federal Government's Small Business Administration (SBA) boosted the cash on hand by \$831,623, driving the

net income (all income minus all expenses) to a positive result of \$521,813. Two very valuable successes occurred associated with the SBA economic help. By just applying for an EIDL loan, even though the loan was not approved, a consolation grant of \$10,000 was given to the Co-op. And by using the PPP funds for staff salaries and certain other qualifying items (e.g., no staff layoffs), the PPP loan was converted into an outright, non-taxable grant.

2020 was a difficult year for both the members and the Co-op in many ways. Because this period was not "Co-op business as usual," it has been difficult to compare 2020 results with prior years, and it will be difficult in future years to compare those future years' results with 2020's results. In addition, 2018 and 2019 results were not "normal" either because of the remodel with all its disruptions, expenses, debt, and the increased capacity it provided. In a way, these three years combined (2018-2020) mark the beginning of a shift from the old Co-op to something new that is still emerging. Despite the many struggles both past and to come, the Co-op has a solid financial foundation that will allow it to emerge stronger than ever.

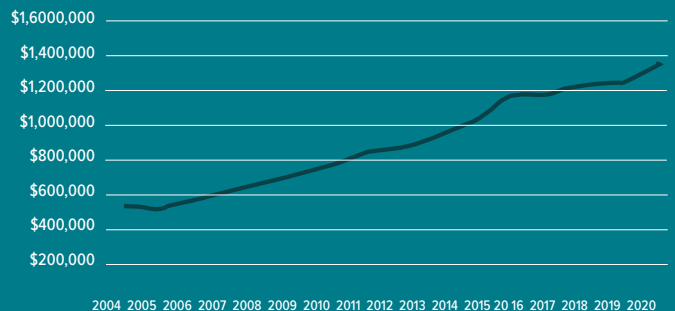


**85**  
local service  
providers



**129**  
local farmers  
& producers

**Purchases from Local 5 Farmers & Producers**



# Profit & Loss Summary

## December 2020

	Dollars	% Sales
<b>SALES</b>	\$18,138,506	100%
Cost of Goods Sold	\$11,324,865	62%
Gross Profit Margin	\$6,812,284	38%
<b>OPERATING EXPENSES</b>		
Total Personnel	\$4,969,421	27%
Total Operating	\$520,732	3%
Total Administrative	\$583,879	3%
Total Occupancy	\$309,391	2%
Depreciation	\$319,086	2%
Marketing & Outreach	\$130,526	.72%
Board Governance	\$84,238	.46%
<b>Total Operating Expenses</b>	\$6,911,713	38%
Total Other Income (from PPP grant)	\$697,802	4%
<b>Net Income After Taxes</b>	\$521,813	3%
Local Farmers & Producers Purchases	\$1,335,465	11.5%

# Balance Sheet

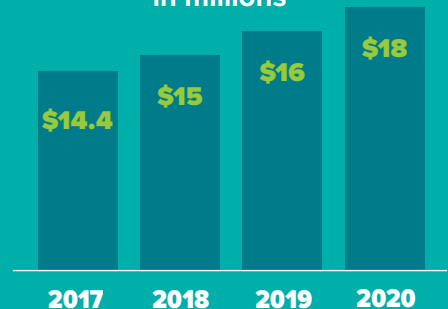
<b>Assets</b>	
Total Cash	\$1,456,881
Inventory & Receivables	\$985,204
Total Current Assets	\$2,442,085
Land, Building, Equipment	\$5,515,775
Investments	\$224,379
<b>TOTAL ASSETS</b>	\$8,182,239
<b>LIABILITIES</b>	
Total Current Liabilities	\$851,717
Total Long Term Liabilities	\$2,217,069
Total Liabilities	\$3,068,786
<b>Member Equity</b>	
Members Capital	\$1,036,658
Retained Patronage	\$1,279,530
Retained Earnings	\$2,797,265
<b>Total Members Equity</b>	\$5,113,453
<b>Total Liabilities and Equity</b>	\$8,182,239



**% net**  
of total sales

**1** | **1** | **3** | **2** | **3**  
2016 | 2017 | 2018 | 2019 | 2020

**store annual sales**  
in millions



	2020	2019	2018	2017	2016
Sales	Dollars (%) \$18,138,506	\$16,133,815	\$15,547,819	\$15,158,547	\$14,429,951
Net income(loss) after taxes	\$521,813 ( <b>3%</b> )	\$275,643 ( <b>2%</b> )	\$436,993 ( <b>3%</b> )	\$132,559 ( <b>1%</b> )	\$133,215 ( <b>1%</b> )
Local Farmers & Producers Purchases	\$1,335,465	\$1,263,780	\$1,243,675	\$1,227,395	\$1,171,040



Meet Us Online

**ANNUAL GENERAL MEETING**

*Love & Appreciation*

**2021**

**Saturday, June 26, 2021**

**STRICTLY  
BUSINESS**

Foodcoop



**Register for the meeting at [www.foodcoop.coop](http://www.foodcoop.coop)  
Business Meeting at 3PM - Meet the Candidates at 4PM**