



# BRATTLEBORO FOOD CO-OP ANNUAL REPORT 2020



Great atmosphere and I have never dealt with an employee that wasn't happy, helpful, and knowledgeable. Always a pleasure!

The Co-op is one of my favorite places in Brattleboro. I love how friendly and helpful the staff are.



Especially in this time of COVID, I appreciate the friendly, efficient, professional service attitude of coop employees.

The curbside pickup has been a lifesaver for us. I commend your staff.

You're doing a great job during these crazy times.

They have done an outstanding job dealing with the realities of the covid-19 world. Taken intelligent steps to protect staff and customers while striving to provide service in as normal a way as possible.

Friendly atmosphere. Knowledgeable, helpful staff.

Front row: Dano, Joan. Back row: Leslie, Justin, Sabine, José



# Board of Directors

*Jerelyn Wilson, President of the Board*

## OPERATING IN A PANDEMIC

**W**ho could have known? The seismic changes in product delivery and facility operations due to the COVID-19 pandemic that the Co-op has had to deal with since March have been immensely challenging—for shoppers, for employees, for management, and for your Board of Directors. These challenges, though, have brought out previously unseen inner resources in all of us. The demands on employees to reorient to new tasks, on customers to orient to new ways of shopping, and on the board to support a general manager who must reinvent store operations seemingly on a weekly basis have been significant to say the least. All of this has brought into focus the values that lie at the heart of what we do. The Brattleboro Food Co-op is more than a grocery store. We are a cooperative established to serve our members, but we are also committed to the larger Brattleboro community. During COVID, we have worked hard to make sure that we are providing a safe place for anyone to shop for groceries.

## OVERCOMING RACISM

While the COVID-19 situation was

unfolding—and before that—the very real need for our Co-op to address the racism that exists in our society rose to the top of our list of priorities. Last November's Annual Meeting at the New England Youth Theater was a wake-up call. Diversity, Equity, and Inclusion (DEI—a lot of us didn't know that acronym a year ago), and a commitment to understanding more deeply the reality of a welcoming community marketplace are key to the organization we aspire to be.

It is important to emphasize that the board's job is to envision, to reach for the long view, to make sure we are well-positioned to evolve our cooperative organization toward a future that embodies our strongly held values reflected in the International Cooperative Association's statement of cooperative principles. DEI work is both personal and societal, both individual and communal. This work progresses best in a culture of trust, with honest and open communication, and with dedication. As the board addressed the monthly monitoring of policies holding both ourselves and our General Manager accountable, we looked through a DEI lens. DEI actions are now integral to all the

Co-op does. As a board we read the book, *White Fragility*, and took time in board meetings to share perspectives. Four of us are engaged in “The Abolitionists’ Challenge: 6 months, 6 books, 6 actions.” Talk to a board member and hear about the DEI actions we are each taking personally and that deepen our monthly board work.

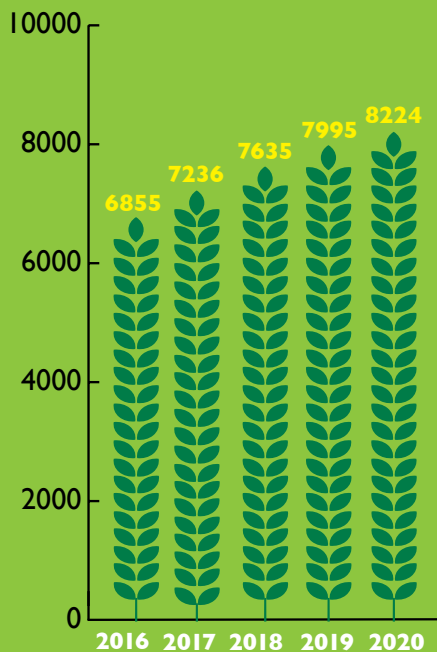
### BALANCING THE BOOKS

At its core, any organization’s Board of Directors must ensure that the organization operates in a fiscally responsible manner. The Brattleboro Food Co-op is no different. Those who have been members for a while know that the interruptions from the building of a new store, and the debt we incurred in doing so, were huge challenges. A year and a half ago, in July 2019, we had just ended the Co-op’s fiscal year ’19 with a \$32K deficit, and we are still carrying a large debt service. In a long-planned effort to put your Co-op on stronger financial footing, the board approved a reduction in the member discounts for working members and seniors. That was a hard decision and we feel it is the right one.

We supported our General Manager’s open and transparent process of gathering input on such a change, educating shareholders, and ultimately coming up with a plan that will significantly contribute to our Co-op’s long-term vitality. While many other co-ops

## Shareholder Owners

by Fiscal Year



around the country have eliminated member discounts and eliminated working-member programs altogether, we chose to make a more modest change—which we are asking shareholders to ratify in November. We are aiming to prioritize needs-based discounts and, when our finances allow, implement patronage dividends for all shareholders. If you have any questions or comments, please speak with one of your board members. We welcome conversations with you! 



## From the GM: The Year in Review

Sabine Rhyne, General Manager

What a year. There are so many things to reflect on in thinking about reporting our year to you, our cooperative owners, that it is a daunting task to know where to begin. I suppose I will begin with the basics. Because if there's anything the pandemic has taught us, it's that we have to make the most basic choices in all of the aspects of our lives, again, and again. This brings to mind Maslow's hierarchy of needs, which—you may well remember from an intro psychology course—stacks our patterns of motivation in a pyramid. The pyramid is widest with basic needs, stacking psychological needs and then self-actualizing needs at the top. If life with COVID taught us anything, it's that we rely on this pattern, prioritizing basic needs.

Your relationship with our Co-op can also reflect this pattern. Years ago, a dear friend and colleague wrote about this theory as it applied to individuals' relationship with their cooperative. In this application, the basic needs of a customer would typically have to be met before that person would consider becoming a member. And then, as a member, certain other needs would have to be met to

motivate that person to become a more highly engaged owner, such as a board member. Each of us falls somewhere along this continuum, but crises have a way of distilling things, emphasizing the importance of the basics, even through the lens of our values.

Life in the age of COVID has overshadowed nearly all else. In reviewing the various topics we communicated about over the past fiscal year, I see this relationship played out. I started the year remembering the words of a cherished co-op mentor, Bill Gessner, recalling that “co-ops provide service to their members and communities in a generous and balanced manner.” As we applied ourselves to the new normal after mid-March, we worked very hard at balancing the needs of the community with the need to protect our staff, devising curbside access to food while weighing in-store options and hours. We are indeed proud of all of our employees who rose to the occasion, and we thank you for your support in that trying time.

In thinking about the advent of information technology that is

*(continued on page 6)*

# 5-YEAR

Sales of Local Products  
by Fiscal Year, in millions

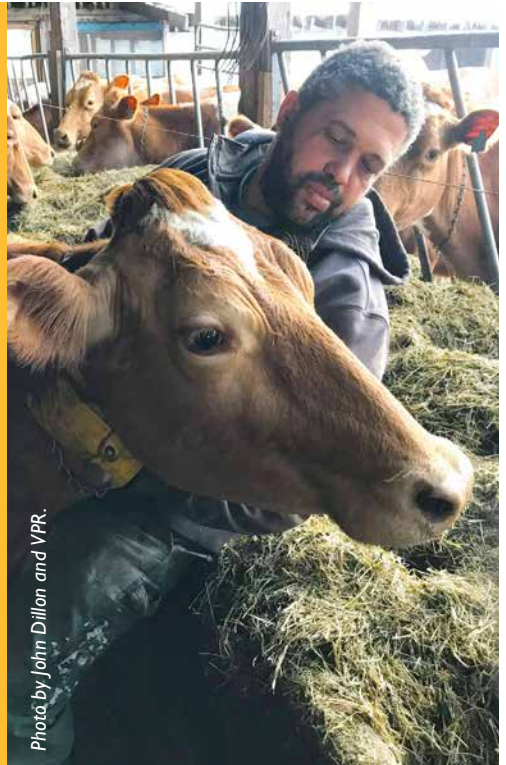
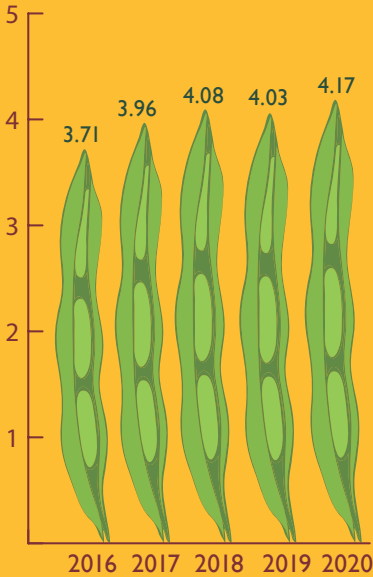


Photo: by John Dillon and VPR.



Nick

# 137

people are  
employed by  
the Co-op, full-  
and part-time.

# 113

are Staff  
Shareholders.



(continued from page 4)


transforming the grocery store with self-checkouts and inventory robots, even though self-checkouts provide a touchless way to process groceries, we were reminded about all the ways in which a human connection enriches us. Whether it was on the curbside order phone with folks who had not talked with anyone in days, or opportunities to air-hug friends from other “pods,” the Co-op continued to provide essential needs: food, yes, but also connection. These are the things that really matter, especially in a crisis of pandemic proportions.

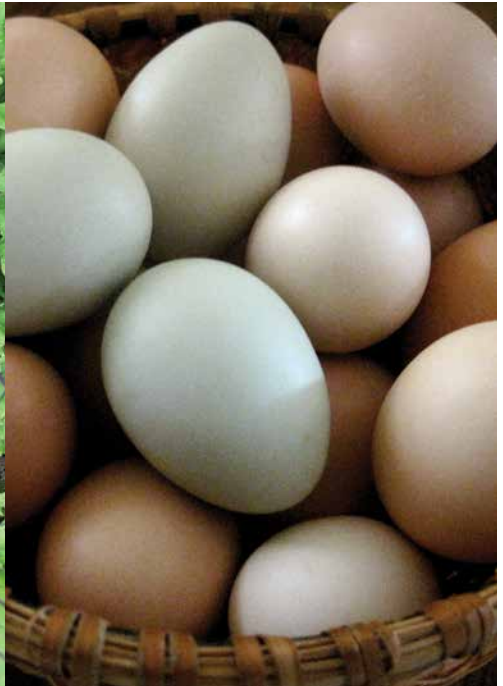
We grappled with racism as we were confronted with its effect on people of color, and we continue to learn, strategize, and improve our store and our community to ultimately be a more comfortable place for people of color, and to strive be better allies. This work is very much ongoing.

As we planned to celebrate our 45th birthday with events, murals, parties, and special signature products, we were stalled by COVID. Still, we saw some great products on the shelves from vendors celebrating the BFC 45th, and we briefly noted that many of our plans would still benefit us down the road, for future birthdays.

After creating a two-week spike in sales due to hoarding in March, COVID ground things to a slow

crawl. Gradually, we got our feet back under us, learning how to cope with reduced hours, a curbside service model, accelerated online ordering plans, all with 10-25% less staff, at least for the first six or so weeks. But learn, we did, and as more people came back to work, and we figured out what our needs were going to be, we hustled to move folks around and they agreeably did so.

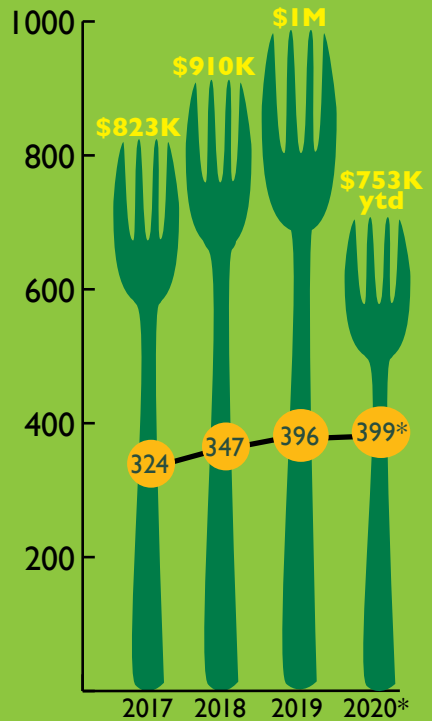
We finished the year in slightly better shape than we had feared, as the results of the first three quarters served us well in mitigating the huge loss we experienced in the fourth quarter. We utilized the federal Payroll Protection Program to assist us in paying “hero pay” to all of our staff on site through most of July, and in addition to the careful scheduling work our management team did and all of the hours that everyone worked to stretch ourselves over new processes, we got through it in fairly good shape. Thank you for supporting us throughout this thing, and for continuing to value the cooperative difference in all of the ways it was made plain this year. Hopefully, we will all continue to support each other as we work through what appears to be a long haul. We will continue to enhance our capability of meeting your needs, whether most basic or more complicated. We are definitely all in this together. 

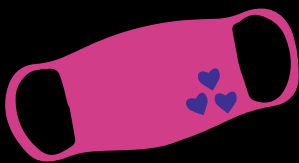


# Food for All

Sales & Participants

\*YTD-Through 8/2020





# BFC Covid 19

## March 2020

### NEW OFFERINGS:

- Plexi-glass installed at registers
- Milk bottle containers relocated to loading dock
- Curbside Hotline launches
- Limited customers in store
- Bulk Dept goes full-service

### SUSPENSIONS

- Deli becomes only Grab and Go options
- Bag-a-Bean suspended
- Store hours shrink
- Pre-orders suspended
- Community Room, Kids' Room, and Café closed
- Personal bulk containers and personal deli containers eliminated

## April 2020

### NEW OFFERINGS:

- Curbside increases size of orders
- Deli begins to expand Grab and Go to top sellers

## May 2020

### NEW OFFERINGS:

- Masks becomes mandatory
- Store walk-in hours increase
- Curbside shifts to Mon-Fri
- Deli continues to expand Grab and Go
- Bulk Dept layout returns to easier format with more selection



Phil, John, Jon

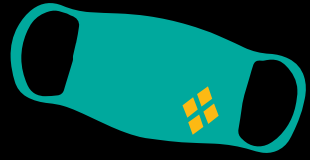
March

April

May



# Timeline



## June 2020

### NEW OFFERINGS:

- Deli re-opens full-service sandwich, smoothie, juice, pizza and cold case Grab and Go stations
- Store hours increase again
- Store Flyer Sales restarted



Scotty



Michelle

## July 2020

### NEW OFFERINGS:

- Online shopping launched
- Walk-in store hours increase to 9am-8pm daily
- Personal shopping bags welcomed once again



June

July



Ruth



# Treasurer's Report


Skye Morse, Board of Directors

In reviewing the annual financials for our Co-op's fiscal year 2020, I must say that this year was a great success, all things considered. For fiscal year 2020, the Co-op generated a net profit of \$14,194, and beat the projections from our Annual Business Plan by \$34,394. Now, I grant you that given our sales volume, a net profit of \$14k (a margin of 0.06%) may not seem all that impressive, but consider the following:

- This year total sales were down by over \$440,000 from last year at \$21,386,686;
- With the onset of a global pandemic, in the 4th quarter we lost over \$97,000;
- We returned over \$750,000 to our members in the form of discounts;
- We delivered a net profit of \$14k, up from a net loss of \$55k last year.

We are in the position we are today because of the hard work of our people and our leaders. At the end of Q3, which was right in the middle of the panic-buying back in March, we were ahead of our Annual Business Plan by nearly \$140k. When the pandemic hit we were cautious yet creative, nimble, and proactive in our response, setting a standard for the industry in how to keep our workers and our customers safe while still serving the needs of our members.

Thanks to the strong financial position we had built in the first three quarters, we avoided major layoffs, paid hero pay to our frontline workers, and kept the organization strong, solvent, and community-focused in the face of an unthinkable crisis. And in spite of all of this, we ended the year with a bit of profit. As your board treasurer, I am proud to say that this year truly was a tremendous achievement.

Finally, a word on the change to our discount structure. We are all having to make do with a lot of changes these days and many are facing hardship. And so it is reasonable to ask, especially at this time, what is the Co-op doing with the three percentage points we have taken back? Having reviewed the proposed budget for fiscal year 2021 I am pleased to share that because of the change to the discount structure and despite the expectation of a significant drop in sales, we are not projecting any significant changes to staffing, we plan to undertake certain capital projects (like the parking lot pavers) that are sorely needed, and we will remain financially sound for another year. Thank you for your dedication to our cooperative, and I look forward to seeing you in the aisles. 

# Operating Expenses

Fiscal Years  
2015-2019

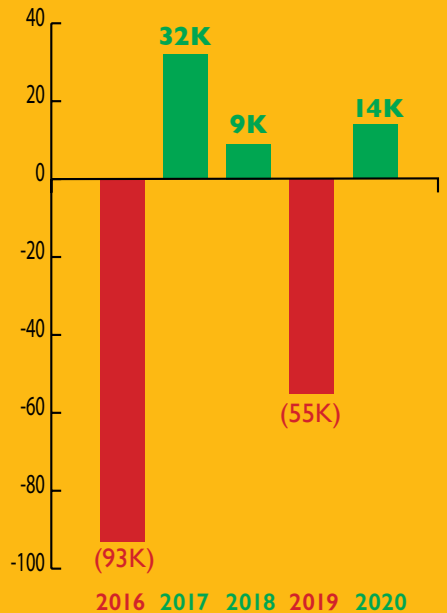


Gretchen



Jim, Dan

# Net Profit (Loss) by Fiscal Year



2016 2017 2018 2019 2020

# Financials

## BALANCE SHEET

Fiscal Year 2020

Fiscal Year 2019

Current Assets	\$ 2,384,617		\$ 1,363,171	
Property and Equipment (net of depreciation)	6,979,880		7,269,446	
Other Assets	918,665		908,303	
<b>Total Assets</b>	<b>\$ 10,283,162</b>		<b>\$ 9,540,920</b>	
<b>LIABILITIES</b>				
Current Liabilities	\$ 2,396,320		\$ 2,581,751	
Long-term Liabilities	6,409,867		5,522,465	
Total Liabilities	8,806,187		8,104,216	
Shareholders' Equity	1,476,975		1,436,704	
<b>Total Liabilities &amp; Equity</b>	<b>\$ 10,283,162</b>		<b>\$ 9,540,920</b>	
<b>STATEMENT OF PROFIT AND LOSS</b>				
		<b>% to Sls</b>		<b>% to Sls</b>
Gross Sales	\$ 21,386,686	100.00	\$ 21,828,536	100.00
Cost of Goods Sold	(13,281,878)	(62.10)	(13,431,582)	(61.53)
Gross Profit	8,104,808	37.90	8,396,954	38.47
Operating Expenses (including member discounts)	(7,829,065)	(36.61)	(8,139,681)	(37.29)
Income from Operations	275,743	1.29	257,273	1.18
Other Income (net)	64,278	0.30	44,595	0.20
Interest Expense	(320,527)	(1.50)	(341,522)	(1.56)
Income (Loss) Before Taxes on Income	19,494	0.09	(39,654)	(0.18)
Income Tax Benefit/(Expense)	(5,300)	(0.02)	(15,750)	(0.07)
<b>Net Income (Loss)</b>	<b>\$ 14,194</b>	<b>0.07</b>	<b>\$ (55,404)</b>	<b>(0.25)</b>

Note: Amounts shown on this report reflect preliminary, internally produced numbers and expense classifications, which have yet to be reviewed by our external CPA and are subject to adjustments and deferred tax items that may be made as a result of that review.

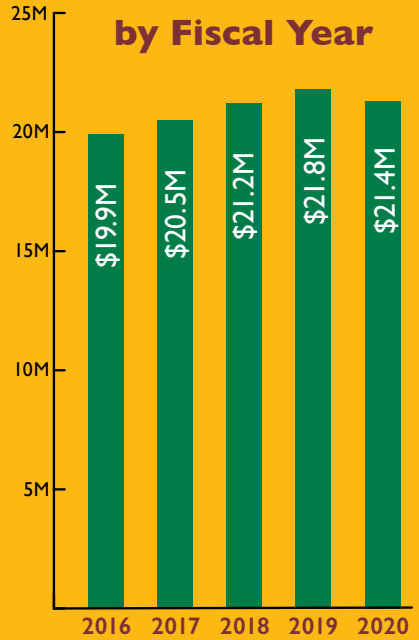
## Statement of Shareholders' Equity

	Shareholder Shares	Donated Capital	Retained Patronage	Retained Earnings	Total
<b>Balance, June 30, 2019</b>	<b>\$ 708,406</b>	<b>\$ 11,330</b>	<b>\$ 167,367</b>	<b>\$ 549,601</b>	<b>\$ 1,436,704</b>
<b>Current Year Activity</b>					
Net Increase in Shares	26,157				26,157
Donated Capital		(80)			(80)
Net Income (Loss)				14,194	14,194
<b>Balance, June 28, 2020</b>	<b>\$ 734,563</b>	<b>\$ 11,250</b>	<b>\$ 167,367</b>	<b>\$ 563,795</b>	<b>\$ 1,476,975</b>

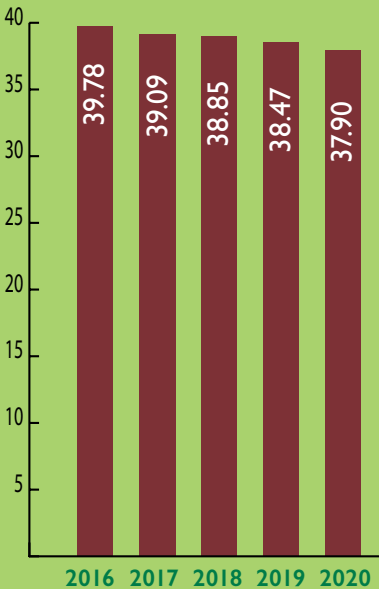


Jaci

## Sales by Fiscal Year



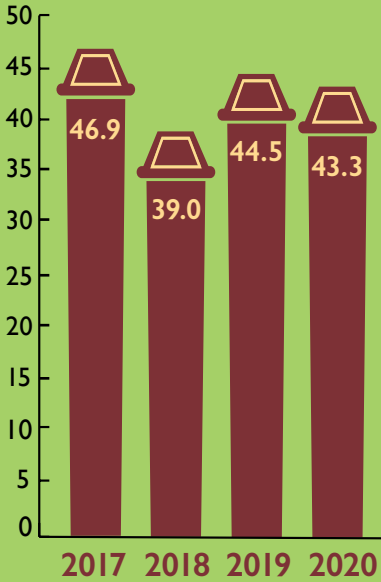
## Gross Margin % by Fiscal Year





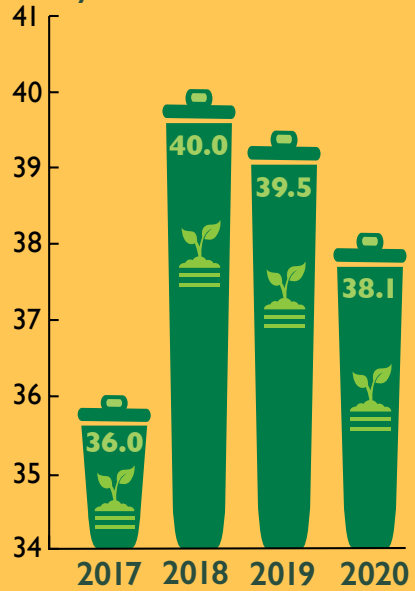
# Landfill

4-Year Total Graph  
by Fiscal Year, in tons



# Compost

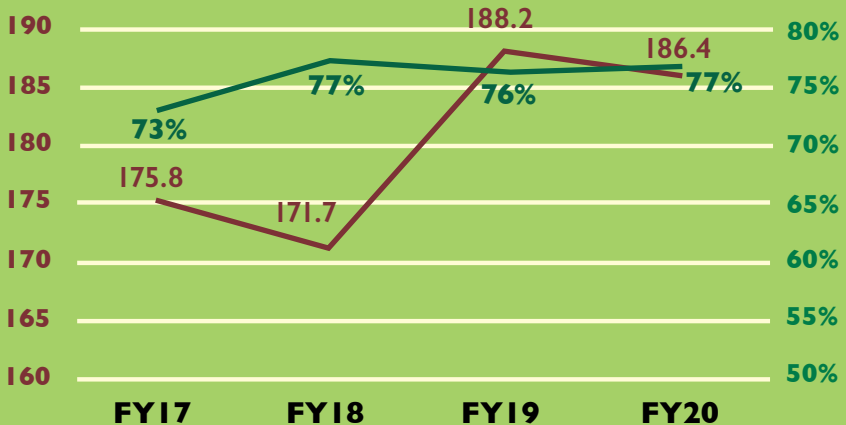
4-Year Total Graph  
by Fiscal Year, in tons



In FY19, we replenished our refrigeration equipment with 666 pounds of R404A. **In FY20, that went down by 95%, to 30 pounds, when we began working with a refrigeration specialist with more experience in the grocery sector. Each ton of R404A has the global warming potential of 3,922 tons of CO<sub>2</sub>.**

Total tons of waste

Percent diverted from landfill



# VOTING

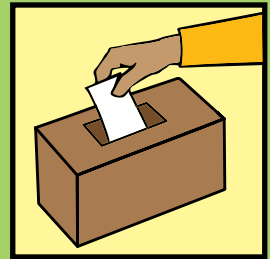
for the Brattleboro Food Co-op  
**BOARD OF DIRECTORS  
& BYLAW CHANGES**  
starts on November 11th and  
runs until November 29th @5pm.



Visit our website.



Click on the  
voting email we send.



Submit a paper  
ballot in store.

**BFC  
DIGITAL**

## Annual Meeting AGENDA

**Wednesday, November 11th, 5:30–7:30pm**

RSVP by Wednesday, November 4 to  
[board@brattleborofoodcoop.coop](mailto:board@brattleborofoodcoop.coop)

5:30pm – music by  
John Hughes

Meals will be available for pickup  
Wednesday, November 11th—  
pickup location at Co-op TBD.

6pm – Welcome  
Meeting begins

For every meal we cook  
for our RSVP'd guests  
we will donate one to  
**Groundworks  
Collaborative.**





**Vote for Board of Directors, bylaw changes  
and more Nov. 11th @8pm-Nov. 29th @5pm**