



2018 Annual Report

cooperatively nurturing a healthy community

General Manager's Report

Medford Food Co-op exists to sustain a vibrant, healthy community and a thriving local, organic food economy. You – Co-op owner, customer and supporter – are the reason the Co-op is thriving! In 2018, 313 new owners joined your Co-op. Currently, there are 3,893 owners. These owners and other customers shopping at the Co-op contributed to a 6% increase in sales last year. This report details some of the ways your co-op benefited the community in 2018.



Shopping at the Co-op contributes to the local food economy and is particularly beneficial to the 43 local farmers and 40 local food producers that we purchase from. When we say “local” we mean within 100 miles of Medford. Last year, sales of products from local farmers and food producers totaled \$543,242 – a 24% increase over 2017!

Across store departments, your Co-op is always striving to offer more local options or highlight more local food producers. For example, the Café upgraded the bread on the grab-n-go sandwiches in October, choosing to feature the delicious wood-fired bread from Rise Up! Artisan Bread in the Little Applegate Valley.

Our Café experienced steady growth in sales and customers over the course of the year. Many new customers in the Café were also new to the Co-op. The Café offers people another way to participate in the local food economy: eating fresh, made-from-scratch food from our community-owned Café!



Grab-n-go sandwiches feature Rise Up! Artisan Bread.

Seeing a growing demand for local and organic food, we extended store hours in April to 7am to 9am (previously 8am to 8pm). Evening Co-op shoppers caught on quickly and were grateful for the extra time to shop. The extended morning hours allowed the Café to build a breakfast program.

Supporting the Co-op benefits owners. Last year owner coupons and employee discounts totaled \$105,680. Owners who provided loans to start the Medford Food Co-op continue to be repaid as their loans mature. In 2018, we paid off \$157,000 in loan principle, leaving \$68,000 in owner loans left to be repaid.

As a cooperative business, profits are invested back into the business and/or shared with our owners. Increased operating costs, paying off loans, and increased competition resulted in lower net profit in 2018, so the board determined that profits would be reinvested rather than issuing a patronage dividend.

providing
*economic, environmental,
and social benefits*


FOR THE ROGUE VALLEY

One of the Co-op's goals is to provide environmental benefits for the Rogue Valley. We are working to reduce the amount of waste that we contribute to the landfill. This became more challenging last year, due to reduced recycling options in our region. We continued to recycle corrugated cardboard, glass, office paper, cans and plastic jugs; approximately 46.4 tons worth in 2018. We composted 18,600 pounds of food waste and donated 24,277 lbs of wholesome, nutritious food to the Medford Gospel Mission's The Main Ingredient Restaurant, who provides wholesome meals seven days a week at no charge.



New low price on reusable stainless steel straws.

In addition to weekly donations to the Mission, we also contributed approximately \$1,100 in financial and in-kind donations to local non-profits like: Friends of Family Farmers, Southern Oregon Humane Society, Sanctuary One, Rogue Climate, and the Southern Oregon Land Conservancy.

We supported your efforts to reduce waste by offering products like shampoo bars, toothbrushes made from yogurt cups, reusable bamboo utensils, reusable food storage wrap made from fabric and beeswax, and a variety of household products made from sugar cane fiber, wheat straw, and bamboo. We offered sustainable bag and container options to help reduce the amount of waste generated when grocery shopping. We're always searching for better ways to reduce plastic and overall waste.

We also continue to participate in Pacific Power's Blue Sky program, which supports green electricity sources like wind and solar power in the western region. In 2018, we supported 8,400 kilowatt-hours. That reduced our CO₂ footprint by 7,593 pounds, which is enough energy to complete 25,578 loads of laundry.



sustaining a

vibrant, healthy, and thriving

COMMUNITY

As part of our efforts to sustain a vibrant, healthy, and thriving community, we participate in a variety of outreach events during the year. By partnering with other organizations to sponsor or host events, we are able to impact our community in big ways.

In January, we held the New Year, New You Jubilee to fully celebrate the Café opening the prior November. Attendees received free MFC branded swag, participated in wellness workshops, and enjoyed free samples from local and regional vendors.



Board member Fran Batzer demonstrates Raw Nori Bites with Sunflower Seed Paté at the Good Food Festival in May.

We held our second annual Good Food Festival & Annual Owner Meeting in May, featuring multiple cooking demonstrations, free food and beverage samples, raffle prizes, and family-friendly activities. In addition to celebrating good food with our owners, the Good Food Festival is an opportunity for the larger community to learn about the cooperative difference.

Your Co-op is a member of the Bear Creek Stewards. This organization includes local municipalities, businesses, and non-profits who work together to coordinate two annual clean ups along the Bear Creek Greenway. Since 2015,

this semiannual event has grown to include 8 miles of the Greenway between Central Point and Ashland. In 2018, 284 volunteers removed 9,100 pounds of trash and almost an acre of blackberry vines. The Bear Creek Stewards are contributing to and encouraging larger efforts to improve and protect Bear Creek and the Greenway.

Your Co-op is among a group of local businesses and organizations who sponsor the Oregon Wine Experience; an annual fundraiser for Children's Miracle Network. As one of 170 Children's Miracle Network hospitals in the country, Asante Rogue Regional Medical Center provides our community with critical pediatric care including a neonatal intensive care unit and the region's only pediatric trauma center.

In October, we began offering wall space in the Café for local artists to hang their work. Our inaugural Community Art Wall Opening featured the fine art of MFC staff member Cassie Stratton. Exhibits change quarterly. Artists that wish to sell their work are encouraged to do so, and the Co-op will donate 20% of each sale to a pre-arranged local non-profit agreed upon by the artist.

Your Co-op participates in as many community events as the Outreach team can manage, including: RecFest, the City of Medford Health Fair, and the City of Medford Multicultural Fair. Interacting with community members and showing our support for community-building events and activities is a great opportunity to educate folks about the cooperative difference. The Board of Directors and the management team volunteered a minimum of 132 hours in 2018. Additionally, many MFC staff members contributed volunteer hours to organizations in the community on their own time.

understanding the
health and economic benefits
LOCAL, ORGANIC FOOD 

We strive to promote awareness about food, nutrition, health, and cooperative values. Our multifaceted approach includes store tours, cooking demonstrations, financial support, and more.

In previous years, your Co-op has hosted volunteer Cooking Skills Educators offering Access Cooking Skills Demonstrations in-store. Using fresh, healthy Rogue Valley grown produce, these educators teach basic cooking skills and inspire with seasonal recipes that highlight our local food system. In 2018, a Co-op staff member took over the role, offering simple, delicious recipes that make it a pleasure to eat your veggies.

In addition to in-store cooking demos, MFC staff offered eight cooking classes off campus to five community organizations and businesses, including: Rogue Retreat, Asante, Medical Eye Center, and RVTD. We're grateful for the community partners who have reached out looking for ways to educate and inspire their staff to make healthier food choices, and we're always happy to share tasty recipes.



Rogue Peaches & Creme demonstration featuring local peaches from Rolling Hills.

We also happily support the far-reaching efforts of Rogue Valley Farm to School through sales of bagged apples in the store. In 2018, we donated 100% of the proceeds from the Farm to School apples for a total of \$996.85.

Your Co-op is a member of the Rogue Valley Food System Network (RVFSN), a group of individuals and organizations who have joined together to strengthen our local food system through collaboration. RVFSN produces the Rogue Flavor Guide to help promote our local food, leads working groups that focus on food system challenges, and facilitates networking among all participants in the food system. In cooperation with RVFSN, OSU Extension Service, RCC Small Business Development, and the Food Innovation Center, we partnered to offer the Recipe to Market four part workshop series in January and February. The aim of this series was to help transform an individual's passion for food into an artisan and value-added food business. Between the four workshops, approximately 45 people attended the Recipe to Market series. In June, the Co-op was the major sponsor of RVFSN's annual fundraiser: the Brews, Bluegrass & BBQ festival held at RoxyAnn Winery. This family-friendly event features a full day of bluegrass music, local and regional craft brews and wines, barbecue and food trucks, and more.



Staff member Cierra Gorman at English Lavender Farm on the Rogue Valley Farm Tour.

We collaborated with the Ashland Food Co-op to offer the first annual Rogue Valley Farm Tour in July. This free event promoted local farms and ranches and offered the public a one-of-a-kind opportunity to visit farms and let the farmers share their work, their land, and tell their stories. Thanks to cooperative principle number six: cooperation amongst cooperatives, we had the sponsorship support of the Grange Co-op, Rogue Credit Union, and Organic Valley, and others to make the tour a success. Despite the smoky skies from nearby wildfires, the first Farm Tour was a huge success.

In September, we rolled out new local signage around the store, to make it easier for shoppers to identify locally products. This ongoing project includes a new sign in the entrance defining what local means to us, and blue "Eat Buy Love Local" tags to help shoppers identify local items and support local producers.



embracing the
cooperative
BUSINESS MODEL

Your board of seven volunteer owners meets monthly to ensure that our Co-op produces benefits and value for all our owners. Maintaining a strong and effective board is key to a successful co-op. Last year, our board was faced with the challenge of replacing its retiring president, Jim Sims. Long time board member Kellie Hill accepted the role of Board President and has focused the board's attention on maintaining consistently strong governance.

In order to effectively represent the owners, the board relies on input from owners. Last year the board hosted several listening sessions to provide owners an opportunity to voice their opinions and concerns in a small group format. Additionally, the owner satisfaction survey conducted last August provided input from over 600 owners. Thank you to everyone who participated in the survey and listening sessions – your feedback and guidance are integral in creating the vision for the future of our Co-op.

As we continue to look ahead, the board continues to explore expansion feasibility. All owners can contribute to this work by responding to requests for input and continuing to support the Co-op. Together, we are invigorating and improving our community, one grocery shop at a time!

Anne Carter

Anne Carter
General Manager



Financial Statements

Year Ended December 31, 2018

Balance Sheet

	Dec 31, 2018	Dec 31, 2017
Assets		
Current Assets	\$722,201	\$828,265
Property & Equipment	587,101	621,433
Other Assets	44,782	42,121
Total Assets	\$1,354,085	\$1,491,819
Liabilities & Equity		
Current Liabilities	\$256,804	\$268,305
Long Term Debt	166,127	365,183
Total Liabilities	\$422,930	\$633,488
Equity		
Owner Subscriptions	\$439,218	\$431,258
Patronage Retained	156,411	156,411
Retained Earnings	270,662	72,046
Net Income	64,862	198,616
Total Equity	\$931,154	\$858,331
Total Liabilities & Equity	\$1,354,085	\$1,491,819

Profit and Loss Statements

	Jan-Dec 2018	Jan-Dec 2017
Sales	\$5,104,207	\$4,815,775
Cost of Goods	3,318,178	3,144,555
Gross Margin	\$1,786,029	\$1,671,220
Operating Expenses	1,719,781	\$1,415,383
Net Operating Income	\$72,248	\$255,837
Other Income/Expenses	-7,386	-57,221
Net Income	\$64,862	\$198,616