

2015 Annual Report



**Medford
Food op**

General Manager's Report

by Anne Carter - General Manager

As an owner of the Medford Food Co-op, you are contributing to the economic growth, sustainability and prosperity of the Rogue Valley. This report is a snapshot of our owners' collective impact through the successful performance of the Co-op in 2015.

Growth

Your co-op grew by 251 new owners in 2015, and we just welcomed 77 new owners during the April owner drive! Currently, there are 2,959 owners. These owners and other customers are shopping more at the Co-op. In 2015 there was an 8.5% increase in the number of daily customer transactions and 10% increase in sales.

We paid off \$329,000 of loans that were made to help get the Co-op started. It's amazing that we have been able to pay off over half of our start-up loans in less than 5 years. Our priority continues to be to pay off the start-up loans before offering a dividend. However, all owners benefit from monthly owner coupons. Last year, these owner coupons totaled \$59,440 in discounts to our owners. See the financial statements at the end of this report for more information.

Our growth benefits others, in particular the 23 local farmers and 107 local food producers that we purchase products from. The amount of products we purchased from local farmers and producers increased by about 17% in 2015.



Local producers from left to right: Cherie of **Dancing Rooster Sriracha**, Rosie & Jo of **Rise Up! Artisan Bread**, the Salch children of **Little Sprouts Farm**, and Steve & Suzi Fry of **Fry Family Farm**.

Store Improvements

In every department, we continue to look for ways to improve your shopping experience. Many of these are behind-the-scenes changes, but a few of the changes that you may notice include:

- Expanded our fresh, deli food offerings. Our team of two full time and one part time food service staff worked with a professional consultant to organize and increase production. The team's growing experience has included several lunch catering jobs. Deli food sales more than doubled in 2015.
- Installed a new express checkout lane just inside the front door.
- Installed smaller monitors and keyboards at all the checkout lanes so you can actually see the cashier behind the equipment!
- Introduced punch cards for hot soup, sandwiches & garden salads. Get a free deli item after 10 punches!



Community Outreach

- **Bear Creek Stewardship** – We worked with several other groups to organize spring and fall clean ups as part of the statewide SOLVE Beach and Riverside Clean Up Projects. Our clean ups involved over 100 volunteers and hundreds of pounds of trash removed from along Bear Creek.
- **Jackson County Fair Food System Exhibit** – We worked with other members of the Rogue Valley Food System Network to create a walk-through exhibit of what happens to food on its journey from the field to our tables. We'll be at the fair again this July, so stop by our exhibit in the Mace Building.
- **Regular contributions to non-profit community groups:**
 - \$1500 was generated from in-store coffee donations and was donated to ACCESS, YMCA After School Program, Maslow Project, Kids Unlimited, and Rogue Farm Corps.
 - We donated an average of 90 boxes each month of blemished produce, eggs and dairy products to the Gospel Mission.
 - We donated \$856 to Rogue Valley Farm to School from profits on Fuji apple sales.
 - Over \$500 in smaller contributions were made to community groups promoting health and nutrition.



Participants clean up litter at the Spring 2016 Bear Creek Stewardship Day event.



MFC GM Anne Carter presents a check from the coffee donation fund to Bethany Pitts, the Afterschool Coordinator at Rogue Valley YMCA, at Jefferson Elementary.

Board Leadership and Development

Your board of seven volunteer owners meets monthly to ensure that our co-op produces benefit and value for all our owners. The board's focus is on the co-op's long-term direction. Board members attended a workshop with leaders from other co-ops to discuss how our food co-ops can continue to thrive while facing increased competition. By learning together, sharing ideas and cooperating with other co-ops we can all be stronger together.

What's Ahead

We are a partner in the Rogue Valley Food System Network – a group of individuals, organizations and businesses working together to strengthen our local food system. The network continues its efforts to increase the amount and quality of food grown and sold locally.



“Cooperation Among Cooperatives” is one of the seven cooperative principles that define what it means to be a co-op. We have been working with the other Rogue Valley Co-ops (Grange Co-op, Ashland Food Co-op, and Rogue Valley Co-op Credit Union) to combine our efforts to promote co-ops.

We continue to look at constructing a deli/cafe in the annex. We're in the building and design phase and trying to create a feasible plan. We are eager to get this project started.

Thank you for continuing to support your Co-op so we can bring healthy organic food to Medford, provide a market for local growers and producers, and build a successful business based on the Seven Cooperative Principles!

Financial Statements

Year Ended December 31, 2015

Balance Sheet

	Dec 31, 2015	Dec 31, 2014
Assets		
Current Assets	\$675, 873	\$786,936
Property & Equipment	217,619	\$239,680
Other Assets	15,444	\$5,098
Total Assets	\$908,936	\$1,031,714
Liabilities & Equity		
Current Liabilities	\$181,647	\$125,844
Long Term Debt	\$367,075	\$714,072
Total Liabilities	\$548,722	\$839,916
Equity		
Owner Subscriptions	\$389,806	\$379,778
Loan Payment Reserve	\$28,688	\$269,399
Retained Earnings	-\$218,326	-\$594,368
Net Income	\$160,046	\$136,989
Total Equity	\$360,214	\$191,798
Total Liabilities & Equity	\$908,936	\$1,031,714

Profit and Loss Statements

	Jan-Dec 2015	Jan-Dec 2014
Sales	\$4,212,379	\$3,926,921
Cost of Goods	\$2,844,010	\$2,595,770
Gross Margin	\$1,368,369	\$1,231,151
Operating Expenses	\$1,192,043	\$1,085,809
Net Operating Income	\$176,326	\$155,342
Other Income/Expenses	-\$16,280	-\$18,354
Net Income	\$160,046	\$136,989

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