

2020

Annual Report

Medford
Food  op

*cooperatively nurturing
a healthy community*

General Manager's Report

Building a Local Food Economy

One of Medford Food Co-op's long-term organizational goals is to grow a thriving local, organic food economy. As a Co-op owner and shopper, you are a part of this growing community that includes farmers, ranchers, food producers, distributors, grocery workers, and food service employees. The crises we faced in 2020 raised our awareness of how many people work to bring food from the field to the family table.

When the unprecedented panic buying occurred in March and April of last year, it was difficult for us to keep the shelves stocked – and impossible to source certain products. Our local vendors stepped in to fill the need and feed the community.



Peter *from*
Salant Family Ranch



Rosie *from*
Rise Up!
Artisan Bread

Through the hot, dry summer months, local farmers continued to grow crops and deliver produce, meat, and honey to the Co-op despite ongoing struggles with a labor shortage and unhealthy air quality from wildfire smoke. The Almeda, Obenchain, and Slater fires were especially devastating to the farming community. A disproportionate number of farm laborers and immigrant workers lost homes, belongings, and cash savings. Farmers made extraordinary efforts to secure housing for displaced workers while simultaneously harvesting crops.

Our support of local farmers and food producers is more critical now than ever. In 2020, Co-op shoppers purchased \$1,171,391 of local food and beverages – all grown or produced within 100 miles of Medford. We also raise awareness of local food producers via the Rogue Valley Farm Tour. This annual event provides an opportunity for people to visit local farms and learn directly from the farmers about where food comes from and how it is grown. When the event was cancelled due to concerns about gathering sizes, we pivoted to create a virtual farm tour experience. In collaboration with staff at Ashland Food co-op, we visited a total of eleven local farms and food producers for in-depth tours, interviews, photos, and video. Visit www.roguevalleyfarmtour.com to start exploring from the comfort of your own home.



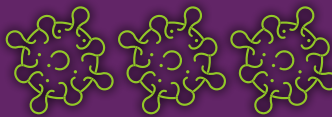
Vince & Mary *from*
Whistling Duck Farm

Protecting Community



Early last year as COVID-19 began to spread, we took steps to protect our co-op community from a virus that we knew little about. As more information became available and guidance was issued, we evolved our policies and procedures accordingly. We eliminated self-serve items throughout the store and café, and amped up our cleaning routines. When sanitary wipes were unavailable, we made batches of bleach solution, and staff sanitized carts and shopping baskets after each use. When hand sanitizer was no longer available, we installed an outdoor sink for customer use.

To continue to serve our most vulnerable shoppers, we started an online shopping program. Despite technological limitations and a rudimentary format, a group of Co-op shoppers use this service on a regular basis. Last year, we fulfilled just over 700 online orders for a total of \$91,227 in purchases.



Supporting Community



Our Positive Change program provided assistance to 15 local non-profit organizations in 2020. Inspired by how quickly small change adds up, we added a \$200 mini grant on top of all the funds donated at checkout each month. Thanks to generous shopper contributions, we were able to donate a total of \$35,209 to local organizations last year. Many nonprofits had to cancel fundraising events due to the pandemic, so they were particularly grateful for additional funds to help bridge the gaps.



In February 2020, Oregon Food Bank announced the Co-op had been selected to participate in the Double Up Food Bucks Oregon Grocery Pilot Program. Double Up Food Bucks (DUFEB) is a nutrition incentive program that matches Supplemental Nutrition Assistance Program (SNAP) benefits to enable EBT cardholders to purchase more fruits and vegetables. Shoppers receive a matching credit for every dollar spent on fresh produce – up to \$10 per visit. The program doubles the value of fruits and vegetables by giving EBT cardholders a \$1:\$1 match for purchases on qualifying produce items.

The Double Up Food Bucks Oregon Grocery Pilot Program is possible thanks to a \$1.5 million investment approved by the State of Oregon in the 2019-2021 biennial budget, and the collaborative expertise of the Farmers Market Fund, Oregon Food Bank, Oregon Farmers Markets Association, and the Portland

CSA Coalition. The DUFEB program has been active at farmer's markets around the state since 2015, and the additional funding expanded the program to local grocery stores for the first time. We launched DUFEB in May of 2020. The program was immediately popular and helped community members stretch their EBT benefits and access more fresh fruits and vegetables. We had 220 households participate in DUFEB last year and these households received \$14,984 worth of DUFEB credits.

In April, we began offering \$3 sandwiches from the Café on Wednesdays to different groups of workers. This was a way to show our appreciation for all the essential workers who continued to provide critical services to our community during difficult times.

Caring for Co-op Employees

Our staff are essential to the operation of the Co-op. As we were interpreting guidelines and recommendations from the CDC and OHA, our priority was the health and safety of staff. We encouraged staff members to stay home if they were displaying any symptoms of illness, and we provided additional paid time off for staff requiring more sick leave than what they had accrued. Managers juggled schedules and worked overtime to make it possible for other staff to take unscheduled personal days – often just to provide a day or two for staff to unwind from the stress of our new normal.

In recognition of their courage and dedication, the Board and GM authorized a temporary premium pay bonus of \$2 per hour for all hourly Co-op employees in late March. To continue to honor our staff member's dedication at a level the Co-op could afford to maintain, permanent pay increases of \$.50–\$1.00 per hour for all hourly staff were issued in July.

In addition to the permanent pay increases, all hourly staff received a paid day off on July 4th, received paid meals from the Café each month, and were awarded a bonus at the end of the year. Additionally, a grateful customer anonymously gifted all hourly staff members an extra cash bonus.

Some staff were concerned about maintaining employment, especially as the Café cycled through periods of closure and partial openings. Despite the drastic decrease in Café sales and hours, we were able to keep most Café staff working full schedules by offering them shifts in the store to cover extra cleaning and expanded services added by the pandemic.

Throughout the challenges of 2020, our dedicated staff displayed courage, kindness, and loyalty by showing up each and every day to ensure our community had access to healthy food.



Responding to Fires



On September 8th, we could see smoke plumes rising south of us in Ashland and Talent. By late afternoon, the Almeda fire had reached Phoenix and appeared to be approaching south Medford. Hearing alerts from local law enforcement, the Co-op closed early to allow staff to get home and off the roads as soon as possible. The next morning, only a handful of our staff were able to come to work. Some had evacuated and were not yet able to return home, some were displaced and didn't know the condition of their homes, and some were still on alert to evacuate at any moment. Staff who were able to come to work prioritized contacting each staff member to make sure they were safe. Next, we began reaching out to find out where we could help.

We started by nourishing the community with healthy food. We delivered breakfast burritos to the first responders at command centers still actively battling the Almeda and Obenchain fires. And we delivered breakfast burritos to evacuees at the Expo and sandwiches to evacuees in White City. The Café continued to offer free meals to emergency personnel and any local residents who were not able to return home in the days immediately following the fires.

In the following days, donations began to arrive from our vendors and the broader cooperative community. Equal Exchange and Bon Mua Oregon donated coffee beans – some of which we brewed and served for free in the Café and some of which we ground and delivered to a relief center. National Cooperative Grocers donated money to purchase fifty \$50 gift cards that were given to families in the Phoenix-Talent School District. Coos Head Food Co-op in Coos Bay also conducted a round-up campaign to raise funds for fire relief and we paid these forward to the Rogue Valley Relief Fund. We also donated 144 gallons of clean drinking water to Rogue Retreat and paid forward a donation from Bob's Red Mill of 15 cases of granola bars to the relief center in Phoenix.



The Co-op also supported the good work of local nonprofits as they pivoted to provide fire relief. We transitioned Positive Change fundraising to a Fire Relief Fund immediately following the fires. In just twenty days, we raised \$3,882 from small donations at the register. The Co-op added an additional \$1,500 to the fund, for a total of \$5,382. The fund was split among three organizations; Rogue Valley Relief Fund, Phoenix-Talent Families Fire Relief Fund, and Unete Immigrant Fire Relief Fund. The continued needs of the community were

apparent and a new organization called Rogue Food Unites rose from the ashes to coordinate a community-driven meal preparation and delivery program that simultaneously supported restaurants devastated by the pandemic and community members displaced by the fires. Positive Change fundraising generated \$3,247 in October for Rogue Food Unites. The compassion and generosity of the community has been awe-inspiring.



Board Leadership

Despite the chaos of 2020, the Board conducted regular monthly meetings via Zoom, successfully elected two new directors, hosted a virtual Annual Meeting, and held the annual Board and management team retreat.

The Board continued its preparation for expansion by completing the revision of the bylaws and received approval of the revisions from the owners in the annual election. To secure our current location for several more years as we continue to plan for expansion, we exercised an option to extend our current lease.

In July, we paid off the final owner loans that were invested in Medford Food Co-op 10 years ago. The owners who provided loans played a critical role in getting the Co-op started. We are grateful for their support and confidence in our eventual success. Many of these owners extended their loans so that the Co-op could more easily pay back all of the loans over a longer period of time.

In 2017, we created the Medford Food Co-op Cooperative Community Fund (MCCF) as a permanent endowment within the Twin Pines Cooperative Foundation. Money contributed to our fund by our Co-op, our suppliers, and our owners will grow the fund. As the fund earns interest annually, the Co-op will donate the earned interest to a local non-profit.

2020 marked the first time we made a significant contribution to the fund by linking it to the holiday season gift card promotion: for every gift card sold, we donated \$10 to the fund – for a total of \$3,940. The Board selected the Unete Immigrant Fire Relief Fund to receive the first donation from our fund's earned interest. Our CCF is not only a permanent endowment that will allow us to support local organizations; the funds are pooled together with the Cooperative Community Funds of 44 food co-ops across the United States into a family of funds managed by the Twin Pines Cooperative Foundation (TPCF). In their 2019 Annual Report, TPCF reported combined assets of over \$4 million invested in the development of cooperatives. These investments leveraged \$48 million for co-op development nationwide.



While the Café was closed for indoor dining, we considered changes that would improve the customer experience and address post-pandemic trends. Board members assisted with planning a Café remodel that was accomplished during October and November. The remodel features an expanded seating area, and additional work space to offer an expanded menu including breakfast bowls, small bites, smoothies, and made-to-order salads.

The Board was supportive of staff, maintained close communication with the GM, and assisted with responding to owner questions and concerns. Their commitment to the Co-op provided a solid foundation for guiding the Co-op through a difficult year.

2020 Election Results

Elected to the Board

Bylaw Revisions

**Matt Dorris
Kellie Hill
Barry Robino**

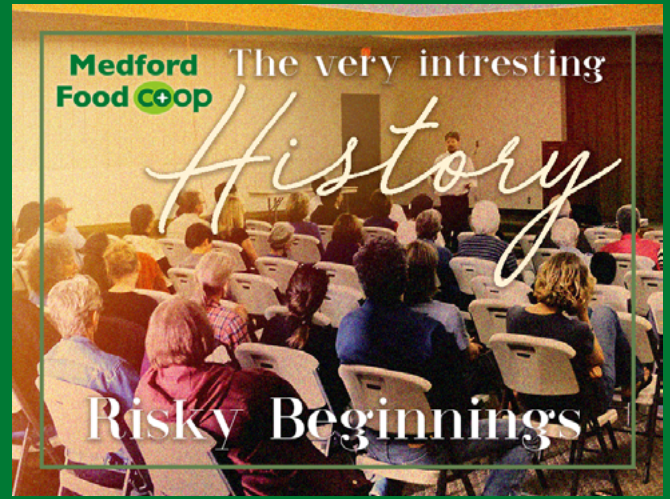
PASSED

2021 Positive Change Recipients

- Access Food Share Garden Program
- CASA of Jackson County
- Center for Nonprofit Legal Services
- Family Nurturing Center Farm & Food Program
- Maslow Project
- Medford Food Project
- Phoenix Counseling Center
- Pollinator Project Rogue Valley
- Rogue Valley Food System Network
- Rogue Valley SMART Reading
- Southern Oregon Humane Society (SoHumane)

Looking Forward

After successfully navigating the hurdles of 2020, we are optimistic about the future of the Co-op. This year we will celebrate 10 years of operation. In anticipation of our anniversary, we wrote and published a history of our Co-op last October. Writing the history turned into a larger project than we expected and involved interviews with numerous individuals who helped start the Medford Food Co-op. Visit medfordfood.coop/blog to read our story. The process taught us some things that are relevant to us now:



What can we learn when we look at the past?

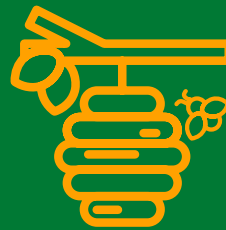
What did we learn when we looked at our cooperative origins? We learned how we've overcome big obstacles as a community before, and how to plan better for our future. We learned that distant dreams can become concrete realities. We learned that perseverance prevails even in the roughest of times. With some hope, determination, and cooperation – we can dream big.

Anne Carter

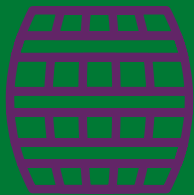
Anne Carter
General Manager



105
local producers
supported



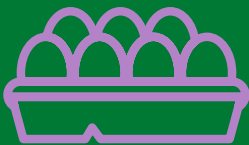
260
new Medford Food
Co-op owners



80.7%
increase in sales
of local goods



\$99,178
given in owner
discounts



26,181
lbs of food
donated



\$91,227
purchased online
for curbside pick-up



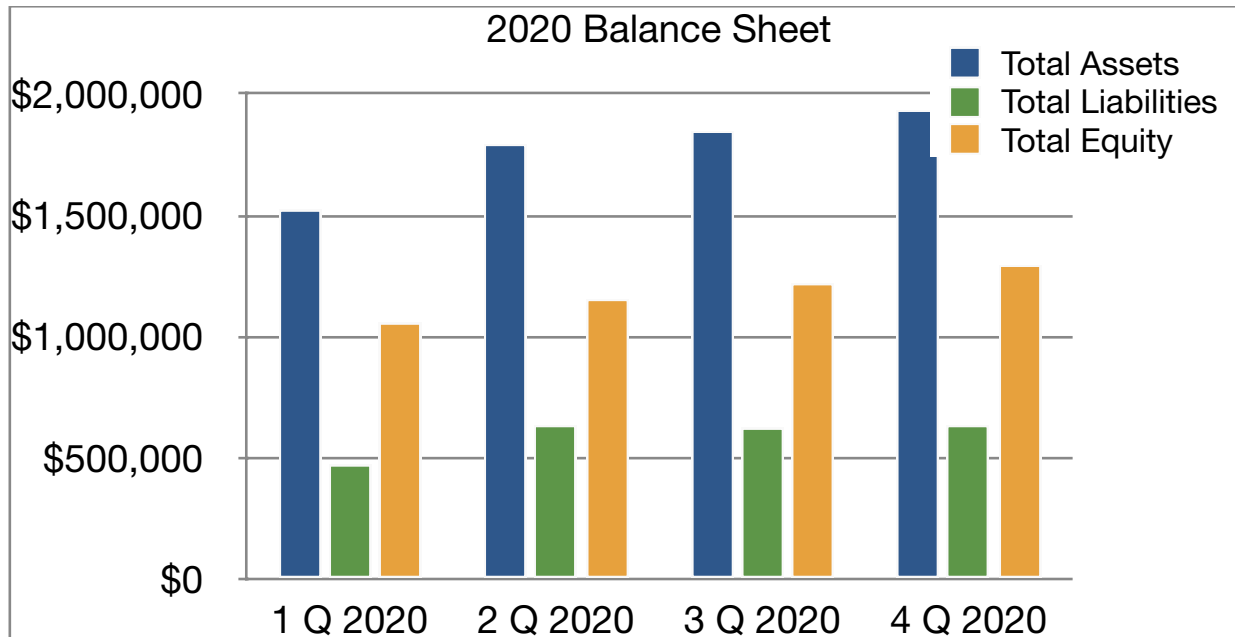
\$40,266
given in
donations



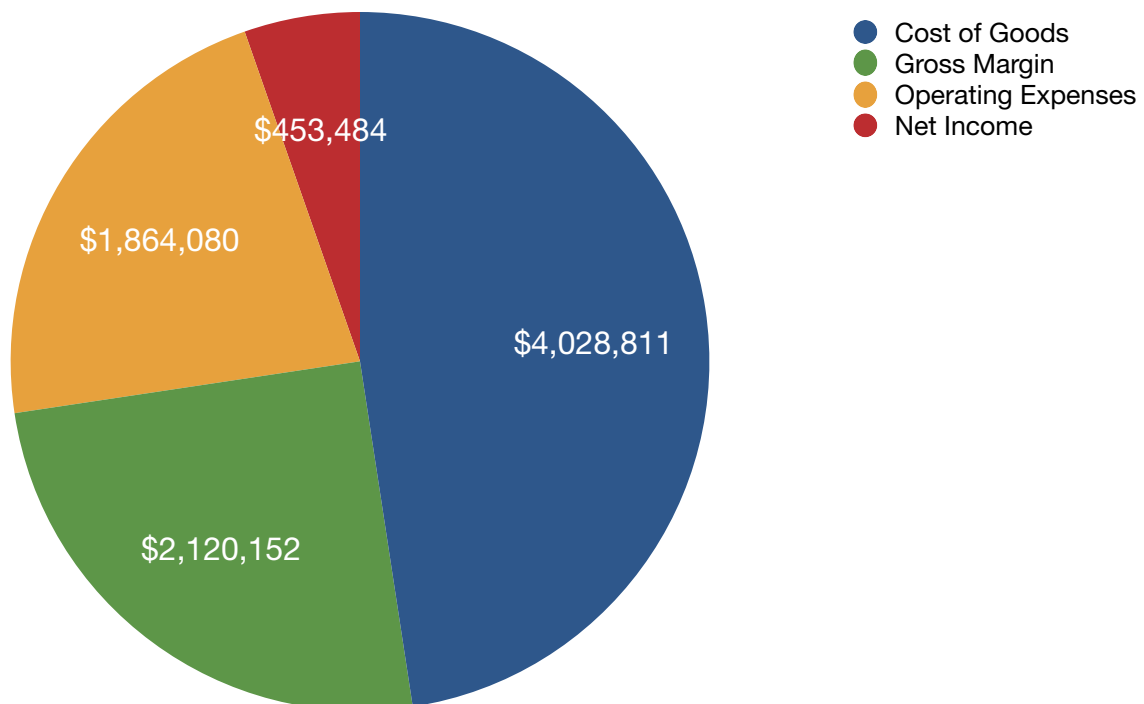
33,600
kWh of renewable
energy supported

Financial Statements

Year Ended December 31, 2020



2020 Income and Expenses



Total Sales = \$6,158,963

Balance Sheet

	Dec 31, 2020	Dec 31, 2019
Assets		
Current Assets	\$1,285,299	\$823,183
Property & Equipment	578,757	567,073
Other Assets	54,820	54,294
Total Assets	\$1,918,876	\$1,444,550
Liabilities & Equity		
Current Liabilities	\$309,765	\$245,681
Long Term Debt	176,108	198,524
Total Liabilities	\$485,873	\$444,205
Equity		
Owner Subscriptions	\$509,944	\$485,469
Patronage Retained	341,825	156,411
Retained Earnings	127,650	305,026
Net Income	453,584	53,439
Total Equity	\$1,433,003	\$1,000,345
Total Liabilities & Equity	\$1,918,876	\$1,444,550

Profit and Loss Statements

	Jan-Dec 2020	Jan-Dec 2019
Sales	\$6,158,963	\$5,260,807
Cost of Goods	4,038,811	3,463,272
Gross Margin	\$2,120,152	\$1,797,535
Operating Expenses	\$1,864,080	\$1,714,287
Net Operating Income	\$256,072	\$83,248
Other Income/Expenses	197,512	-29,809
Net Income	\$453,584	\$53,439