

marquette food co-op

ANNUAL REPORT

2022



502 W. Washington St.
Marquette, MI 49855

In-store Hours 8am - 9pm
Grocery Pickup 11am - 6pm

www.marquettefood.coop
Marquette, MI 49855





Matt Gougeon
General Manager

Once again, the Marquette Food Cooperative has met the promise of cooperation: That a community of people have their needs met through collective economic investment and personal participation in a business for aggregate good.

2022 was year of meeting challenges and learning. In the end, we had another record year of revenue at over \$12.7 million dollars and ended the year with a profit. How we got there was neither easy nor typical. The third year of the pandemic was a mix of trying to respond to the economic trends of high inflation, continued supply chain problems, rising energy costs, and employment issues like hiring, increased investment in people, and high turnover. None of these issues is easy- and certainly not readily solvable by any single business. But we worked to both mitigate impacts and make gains where we could.

We also tried to address the opportunities of our marked growth over the pandemic, through feasibility planning for a second store plus opening the retail space at the Marquette Baking Company. However, increasing costs and manufacturing delays for equipment put an end to those second store plans by June. While the Baking Company store did open, we did not succeed in meeting our projections there. We recently closed it in favor of following the path where the bakery does succeed and aim to build increased wholesale capacity at the bakery to sell more breads through our store.

Inflation affects a business much like it does a household. There were costs increases for services and supplies, but also increases on all the goods we sell. The increases came without advance notice, which made it difficult to stay abreast of price changes. This meant our gross margin suffered throughout the year and we were left to pay the increased costs of everything with fewer gross margin dollars generated by sales. Through concerted effort we slowly regained margin dollars through the last half of the year. Although the margin issues have largely been corrected, the result of this meant we spent cash on hand to keep the Co-op moving forward.

Supply chain issues manifested in product out of stocks and periods of time when certain products could not be ordered. This made for difficult planning in keeping store shelves fully stocked. Kudos are given for our intrepid staff who could find similar replacement items from alternate vendors. More problematic were the times we needed a replacement part for equipment repair and were forced to operate with limited or inefficient reliability until it could be attained. Fuel and energy costs were a full third higher for similar usage than the previous year. In short, all these issues tended to fold over on one another creating complex fronts of problem solving.

To me, 2022 marked a new era of employment. The aftermath of the pandemic and the "Great Resignation" has left a changed employment environment. People tend to leave jobs more quickly, seek higher compensation, place higher value on their interests than the workplace, want assurance of safe and stable working conditions, and generally have re-evaluated their perspective on working. To be certain, none of these expectations are bad or even extraordinary. On the surface, they are decidedly good for anyone seeking employment. But the level and articulation of expectation from an employee to the employer is new. This, at times, can be challenging as we also balance the expectations of owners and customers and the needs of operations with those of its employees. At times, these expectations can preclude one another. I am proud that we were able to largely stay fully staffed in 2022. I also stand behind our effort at making the MFC a model workplace responding to shifting employment environments for the last three years. Our wage scale and benefits package stand up well to scrutiny when taking in the whole of cooperation.

I am also proud of how this cooperative remains engaged in our community in ways that other businesses or agencies can't. The trifecta of community ownership of assets, community service, and community oversight within a privately held business makes us unique. It makes us resilient. And this resiliency is rooted in the aggregate good for community health.

\$25.01

Average basket savings per person during Wellness Weekend Sales



\$2,210

Donated through the Scrip & Wellness Gift Card programs



60% of products have organic ingredients

\$8,710

Collected to purchase food for the Marquette County food pantries
This program enables pantries to order products they need most at wholesale cost



65

Local vendors

\$1,757,238

Total local sales in-store

30%

Total revenue returned or spent locally

\$19,305

Purchased from local vendors for Farm to School Fundraising

U.P. FOOD EXCHANGE
growing local food systems

\$177,060

Sales passed through UPFE Online Marketplace

16%

Increase in producers actively using the UPFE Online Marketplace



BALANCE SHEET

	2022	2021	2020
CURRENT ASSETS:			
Cash & Equivalents	739,711	1,129,347	819,458
Accounts Receivable	40,284	13,885	7,189
Other Current Assets	925,904	478,540	435,788
Total Current Assets	1,705,899	1,621,773	1,262,435
Fixed Assets	2,549,493	2,390,119	2,493,500
Other Assets	220,777	275,684	269,684
Total Assets	\$4,476,170	\$4,287,576	\$4,025,619
LIABILITIES & EQUITY:			
Accounts Payable	310,236	296,647	226,991
Other Current Liabilities	576,230	528,416	503,730
Total Current Liabilities	886,466	835,886	730,720
Long Term Liabilities	1,569,865	1,764,876	1,960,107
Total Liabilities	\$2,456,331	\$2,600,762	\$2,690,827
Total Equity	2,019,839	1,686,814	1,334,792
Total Liabilities & Equity	\$4,476,170	\$4,287,576	\$4,025,619

INCOME STATEMENT

	2022	2021	2020
INCOME:			
Gross Sales	12,783,189	12,013,189	10,701,505
Cost of Goods Sold	8,043,478	7,480,898	6,622,783
Gross Profit Margin	4,739,711	4,532,291	4,078,722
EXPENSES:			
Personnel Expense	3,155,341	2,779,969	2,436,841
Occupancy	373,832	293,246	290,941
Depreciation	110,064	217,227	196,426
Operating Expense	730,027	606,443	541,927
Administrative	183,118	150,114	187,370
Governance	22,256	12,402	11,637
Promotional	111,481	102,165	77,476
Total Operating Expense	-4,686,119	4,169,592	3,745,682
Other Income / Expense	258,479	-31,241	355,754
Taxes	-6,500	0	0
Net Income	\$303,571	\$331,458	\$688,794



Michelle Augustyn
Board President

Hello Marquette Food Cooperative Owners! The last year has brought about many changes for the Marquette Food Co-op. At the time of our last Annual Meeting, we were in the midst of discussions concerning expansion. One year later, we are in a different place. We did not expand to third street and the bakery is taking on a different look. We are now weathering the storm of inflation and finding our functional balance with all the abrupt changes that have happened. I am in awe of the capability to adapt to changing needs that the MFC staff have shown.

There is a sense of strength and resilience that exists in the culture of the MFC that is undeniable, and I am proud to be witness to such integrity that the community has shown to hold up and stay loyal to a locally run business.

To me, it's not hard to see why the MFC is successful. You just have to walk in the doors and talk to any staff member to feel welcome. Most likely, you will run into people that you know and catch up or exchange a smile. I can always count on my shopping trips to be a positive experience

and I always seem to leave feeling better than when I walked in. I'm proud to live in a community that can create and maintain such beauty. Our Coop is like a home. It reflects us, and it is lovely. Thank you for being part of this Cooperative, we truly are stronger together.

With gratitude,
Michelle Augustyn
Board President
Marquette Food Cooperative

2022 BOARD OF DIRECTORS



Michelle Augustyn
PRESIDENT



Angie Cherrette
VICE PRESIDENT



Richard Kochis
TREASURER



Kelly Cantway
SECRETARY



Mary Pat Linck



Kevin Pierfelice

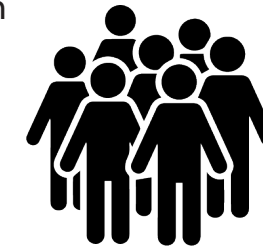


Hillary Bush



Zosia Eppensteiner

1,448
People reached through Outreach activities such as classes, demos, and tabling



206
Youth cooking class participants

553

people tasted food and turned in evaluations for the Recipe for Success program

RECIPE FOR SUCCESS

Partnership with Feeding America West Michigan (FAWM) and the Northern Michigan University Center for Rural Health (NMUCRH). In this program, food samples were offered at FAWM's mobile pantry distributions in seven locations around the Upper Peninsula. The samples were prepared from a recipe selected because it utilized produce that was being offered in the distribution that day. Copies of the recipe were also distributed so that attendees could make the food at home with the produce they received. The program is funded by the Superior Health Foundation.

DINNER WITH THE DOCTOR

Partnership with Marquette Family Medicine Residency Program to offer classes to support health and wellbeing. Topics such as anti-inflammatory foods and mindful eating were accompanied by a meal and recipes that support or demonstrate principles from the class. The classes were offered for free thanks to funding from the Superior Health Foundation. This program has expanded to include group visits at the hospital.



1,145 lbs of food

Collected in our year-round bin for the Women's Center & St. Vincent de Paul

\$15,103

Raised for schools and through our Farm To School Fundraising Program



\$5,070

Round Up at the Register donations for United Way of Marquette County

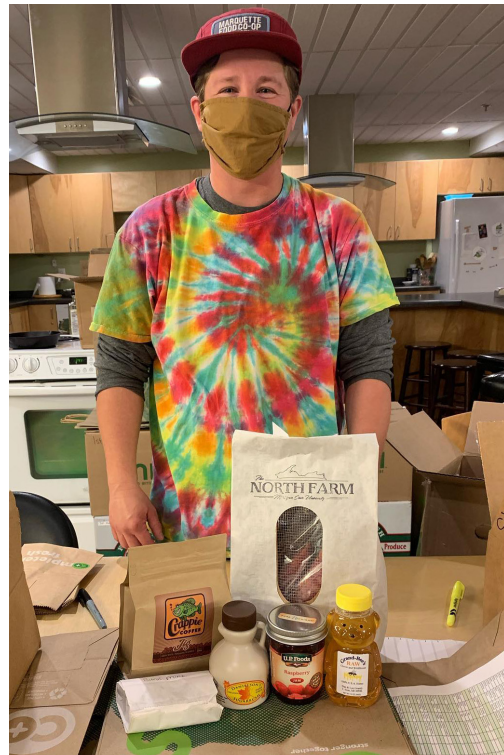
\$7,051

Cost of food purchased from the Marquette Food Co-op for the Indigenous Food Sovereignty Symposium

This conference celebrated Indigenous Foodways. In addition to offering food at a reduced rate, the MFC attended planning meetings, promoted the event, and supplied staff to help administer the event.

Partnerships, Boards, & Initiatives Co-op Staff Participate in:

MSU Extension UPREC Advisory Council, Produce Safety Tech Program, The U.P. Food as Medicine Network, Partridge Creek Farm re:GENERATE Implementation Committee, Harbor House, Upper Peninsula Food Hub & Logistics Network Feasibility Study & The Michigan Farm to Institution Network Advisory Board, Upper Peninsula Environmental Coalition



THE MARQUETTE FOOD CO-OP GLOBAL ENDS

The actions of the Marquette Food Co-op provide access to local, organic, and wholesome products, and the benefits of a healthy, diverse, educated, and sustainable community.

These actions shall be guided by:

ECONOMIC VITALITY

MFC successfully uses the cooperative business model, primarily through a retail storefront, as a component of a robust local economy.

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FOOD

The MFC provides access to local, organic, wholesome, and fairly-traded food and products.

PAGE 6

OWNER ENGAGEMENT

MFC maintains connection and relevance to its owners and encourages them to take an active role in order to sustain the cooperative.

PAGE 7

MODEL WORKPLACE

MFC fosters a workplace in which there is a professional culture of mutual support and open communication, while balancing personal and organizational needs.

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ENVIRONMENTAL STEWARDSHIP

MFC strives to conduct its operations in an environmentally conscious manner.

PAGE 10

COMMUNITY LEADERSHIP

MFC takes a collaborative leadership approach to positively impact our community.

PAGE 11

EDUCATION & OUTREACH

MFC maintains connection and relevance to its owners and encourages them to take an active role in order to sustain the cooperative.

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LOCAL EMPHASIS

MFC gives preference to local products and services that align with operational principles.

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WELLNESS

MFC promotes health and wellness in our community through the principles of eating good food, staying connected, being active, and rest.

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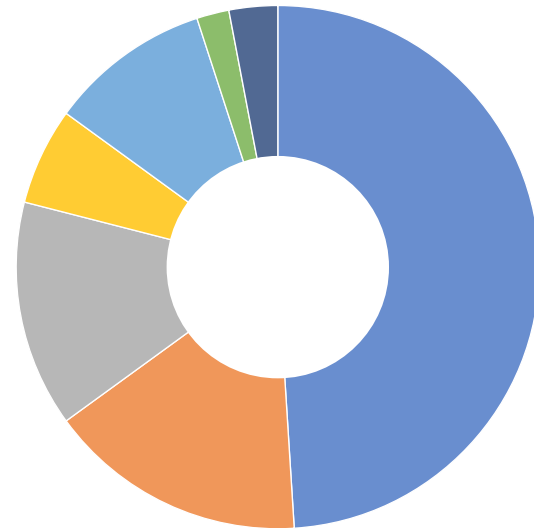
\$12,783,189
Total sales revenue

984
Average customers per day

355,045
Total transactions

\$35.68
Average basket size

Percentage of Total Store Sales by Department



- Grocery 49%
- Produce 16%
- Prepared Foods 14%
- Meat & Seafood 6%
- Wellness 10%
- Marquette Baking Co. 2%
- Sushi 3%

HEAT
We are reclaiming the heat from our compressor room for our hot water needs and to use as supplemental heating for our building. The building is very well insulated with a soy-based spray foam.

WATER
Rainwater from our rooftop is filtered and used to irrigate the green spaces around our building. A half inch of rainwater from 502's rooftop will fill our 4,000 gallon tank, located underground near the building's east entrance. We also recycle condensation from our coolers in the store, which is used to flush our toilets.

COMPOST
Past retail produce is utilized in the kitchen or by staff as much as possible. Produce waste from the kitchen, staff breakroom, classroom, or produce department is composted.

LIGHTING
Our store lighting was designed by the same firm that lit the NASA Space Museum in Florida! The lighting is mostly LED, which lasts longer than traditional incandescent lighting and reduces carbon emissions, with some high-efficiency fluorescents. Our basement offices are brightly lit by 11-watt fixtures that draw less power than a refrigerator bulb. Additionally, all lights are on timers or motion detectors, which greatly reduces energy cost and consumption.

GREEN SPACE
We designed our parking lots to include intentional green space populated by native plants to minimize runoff into municipal water system by soaking up as much as possible. The main lot is slanted to inward toward the green space.

RECYCLING
The Co-op works with community partners to be a drop site for recycling batteries, dental products, and candle wax.





90
Employees

87%
Full-time staff

83%
Employee participation in
401k program

76%
Employee participation in
health care benefits



Rob
“A lot of places you feel you are a temporary position for the company. And it comes out in the way that they treat you, but coming into the Co-op was very different, it was a very family kind of setting, very welcoming, very warm, and you don’t feel like you’re just a number on a board.”

I really appreciate the way the Co-op is a part of the community to a higher degree than one of the box stores that I’ve worked at in the past. We get to know our customers and we get to be a part of the neighborhood so much more than you would if you were working at the big places.

Hannah
“Being a part of the Co-op, you feel more appreciated and not just a number. You’re appreciated for what you bring, what you can do, and your creativity is appreciated—something you would never see at a corporate store. I make art with food, and that is my job.”

Robert Tracy
MFC Employee

Hannah Anderson-Tracy
Co-op Owners since 2019



The Marquette Food Co-op is part of the U.P. Food as Medicine Collaborative. The FAM Collaborative received their first funding from the Superior Health Foundation to run a Prescription for Health Program and Cold Storage Grant program. This grant is administered by The Upper Peninsula Commission for Area Progress (UPCAP) and looks to address both access to food and growing the local food economy.

Under Prescription for Health, health care professionals refer patients into a voucher program, giving them a “prescription for fruits and vegetables.” UPCAP sends accepted patients \$15 a week in vouchers May through October, which can only be spent on fresh produce from participating farmers markets. The Co-op worked with UPFE team members to identify and onboard markets that were ready to participate. The Marquette Food Co-op also provided graphic design and marketing services.

The second part of the program was an infrastructure grant for local farmers, administered by the Co-op and UPFE. The pilot grant program offered \$14,000 to nine area farms to expand or build new cold storage facilities. The grant included technical assistance from an experienced contractor and the U.P. Produce Safety Technician.

While supply chain issues impacted the ability of farms to install the units as quickly as hoped, they will be up and ready for the 2023 season. The evaluations from farmers reveal how important programs like this are. How each farm was impacted varied, but most reported that this grant brought a positive economic impact to the farm, improved food safety procedures, and improved their quality of life.

DOUBLE UP FOOD BUCKS

\$26,739
Vouchers distributed*

\$35,472
Vouchers redeemed

WEBSTORE SALES

\$163,914
Total webstore sales

1.3%
of store sales

**DUFB program was suspended between August of 2022 and January of 2023 because funding was used up from pandemic need*



OWNER ENGAGEMENT

5,190

Active owners
Active denotes that the owner has shopped the store in the last year

319

New owners in 2022

15,045

Followers on social media

\$97,309

Earned in Owner Rewards Program



68%

of sales were to owners

47

New owners through
Owner Referral Program

3,781

People receiving our
weekly emails

35.8%

Open Rate for online newsletter
20% is industry average

Matt

“To me, being an owner means supporting my community, being a part of the community, and being connected to the community. It’s reassuring to come here and find food of all types – dairy, fresh produce, and other products that I know are sourced either locally and or ethically. It’s great to be a part of all of that and to help it move forward. I’d rather be here than anywhere else.”

Liz

“I love that it’s right in my neighborhood. Coming to the co-op can be a big social outing. I love that I can come here and leave getting at least one or two hugs from family or a friend. A lot of those people work here—it’s amazing to have a connection through the community. It’s not just a grocery store, it’s also a community network place.”

Matt Van Grinsven



Liz Cissell

Co-op Owners since 2015



“To us, being owners means putting our resources where our values are, in relationship to supporting healthy nutritious food and supporting community and local business owners and farmers. It feels important to be a part of the community in a way that’s more than just going to a grocery store.”

Anna Zimmer



Andrew Plocher

Co-op Owners since 2015



“It’s always a friendly place. The people are so nice. And you’re helping local farmers. The atmosphere and the scope of the products is wonderful. The support for community and universal design, our mantra. I also like the bulk section. I make bread, so I buy 50lb bags of oats. The cooking classes are really wonderful. It’s one thing to sell someone something, and it’s another thing to show them how to use it, especially local produce.”

Barb Coleman



Bob Chapman

Co-op Owners since 2004



“Everyone votes with their wallet and I’m voting for human rights and the environment with my purchases. I’m taking a stand and saying that destroying the environment is wrong, exploiting workers is wrong, and that I support my local economy with my purchases.”

Jamila Katze

Co-op Owner since 2021



“The MFC does a great job supporting local growers by providing a consistent, viable wholesale platform. This is immensely helpful in our effort to provide community access to the food we produce. Being an owner brings with it a sense of investment in the store, and a connection with other members of the community sharing similar values.”

Laura Brosius

Co-op Owner since 2022

