

marquette food co-op

ANNUAL REPORT

2023



MESSAGE FROM THE GENERAL MANAGER



Matt Gougeon
General Manager

2023 was another solid year of financial performance for your Marquette Food Co-op (MFC). But financial performance isn't the only measure by which we assess the success of this cooperative. Do we positively impact local and regional food systems? Are we conscious of and strive for an equitable experience of participation with the Co-op? Do we understand our environmental impact and take measures to mitigate it where we can? Do we seek the growth of the cooperative in both social and economic ways? The answer to these important questions is, yes.

For more detail you may refer to the 2024 Marquette Food Co-op Ends Report. The Ends Report is the summation of how your Co-op has conducted its business, and itself, within our community for the past year. It provides the quantifiable results of our actions. The report is comprehensive of the members of the MFC, management & staff, and the broader community. It is eye opening, and we are all proud of our efforts. As is often the case, the success of fulfilling the mission of this cooperative also serves to highlight the amount of work and positive impact yet to be achieved. But what we achieved last year, and for the last few years, is the cooperative business model functioning in its full capacity. Take a closer look and don't let the significance of our impact be lost on you. Again, read the 2024 Ends Report. Take a copy home with you from the Annual Meeting or download it from www.marquettefood.coop.

But- as this is the MFC Annual Report, we will run through the numbers for the past year. We gained another 308 new member households while seeing 35 members leave the rolls as they moved away from Marquette. In 2023 we saw higher than expected revenue growth at 7% over the previous year and topped out at \$13.6M dollars. Our gross margin, the dollars we use to pay all other expenses after paying costs of goods sold, remained strong and consistent at 38%. Our investment in staff was within budget expectations at 25% of revenue. We were cash positive and currently hold over 50 days of cash on hand. We accomplished positive cash in the face of returning \$230K in cash to the members in patronage dividend over the past two years. We also regularly paid down debt and accelerated the early payoff of \$50K in debt. Since our expansion in 2014, we have paid off nearly \$2M dollars of debt and have approximately \$1.6M left to go. In the end, we had a little under 1% net profit (\$103K) remaining. Per our financial statements, this is our fourth profitable year in a row.

Your Food Co-op is on sound financial footing upon which we will stand to face the uncertainties and challenges of the coming years. Our 53 year history is an indicator of the lasting presence and common sense approach that cooperation brings to service in our community. We will build on this current foundation and strengthen and grow this cooperative through building depth in the organization, updating equipment and cold storage, deploying appropriate technology, deepening training for those in service to the operations and governance of the MFC, and remaining resolute purpose and relevance to the larger community.

BALANCE SHEET

		2023	2022	2021
CURRENT ASSETS:				
	Cash & Equivalents	1,846,583	739,711	1,129,347
	Accounts Receivable	35,532	40,284	13,885
	Other Current Assets	506,778	925,904	478,540
	Total Current Assets	2,388,893	1,705,899	1,621,773
	Fixed Assets	2,553,528	2,549,493	2,390,119
	Other Assets	193,037	220,777	275,684
	Total Assets	\$5,135,459	\$4,476,170	\$4,287,576
LIABILITIES & EQUITY:				
	Accounts Payable	316,092	310,236	296,647
	Other Current Liabilities	595,915	576,230	528,416
	Total Current Liabilities	912,008	886,466	835,886
	Long Term Liabilities	1,551,822	1,569,865	1,764,876
	Total Liabilities	\$2,463,830	\$2,456,331	\$2,600,762
	Total Equity	2,671,629	2,019,839	1,686,814
	Total Liabilities & Equity	\$5,135,459	\$4,476,170	\$4,287,576

INCOME STATEMENT

		2023	2022	2021
INCOME:				
	Gross Sales	13,609,949	12,783,189	12,013,189
	Cost of Goods Sold	8,426,510	8,043,478	7,480,898
	Gross Profit Margin	5,183,438	4,739,711	4,532,291
EXPENSES:				
	Personnel Expense	3,470,042	3,155,341	2,779,969
	Occupancy	390,183	373,832	293,246
	Depreciation	97,227	110,064	217,227
	Operating Expense	763,232	730,027	606,443
	Administrative	133,278	183,118	150,114
	Governance	26,452	22,256	12,402
	Promotional	124,412	111,481	102,165
	Total Operating Expense	-5,004,826	-4,686,119	4,169,592
	Other Income / Expense	75,959	258,479	-31,241
	Taxes	0	-6,500	0
	Net Income	\$102,653	\$303,571	\$331,458

MESSAGE FROM THE BOARD PRESIDENT

The Annual Meeting of Owners has always held a special place in my heart. When I first moved back to Marquette in 2007, the Annual meeting was one of my favorite events of the year. At the time, my oldest child was a toddler, and I would soon be in full force Mom-mode for the next 7 years as my family grew. There are not many places that you can go with three young children and feel as if you can socialize. The Coop Annual meeting was one of those places though. I felt accepted. I felt like I had community. In retrospect, I see that, for me, the Cooperative fulfilled an intersection where my social needs were met, and I also could practice mindful consumption of goods. Looking back on those times, I can see that the MFC and all the people I interacted with had a profound impact on me and my family. Every year that passes I realize how fortunate I have been to have such an amazing support group. An extended family of sorts. A community that shares the basic values that I did not realize I was searching for but drew me in because it just felt right to be near an idea that made sense.

Now I see more clearly. I see now that my “gut feeling” back in 2007, to be an active member of a Food Cooperative was not just about having access to bulk food (I’m infatuated with bulk!) it was about being part of a community. The Cooperative business model is fundamentally rooted in the community that it springs from, therefore, it represents community past, present, and future. When you walk into a cooperative you are walking into a representation of a community psyche. Sure, cooperatives may need some “outside help” to survive in today’s competitive world, but cooperatives can adapt, because communities can adapt. Do you know what a chain store or an online purchasing platform cannot give you? I’m sure you have all guessed it – a sense of community. So, perhaps I am circling around a logic here – if you want to be part of a community – join a Co-op, or at least shop at one!

I’m sure that I can speak on behalf of every one of the Board members when I say that it is an honor to represent not just the owners of the MFC, but the whole community, in our elected duties. We are grateful to have the opportunity to oversee the functioning of the MFC and to make sure that the compass is set to our true north, our Ends, and that direction is weaved into the MFC’s operational decision making. If you want to feel pride in what you are part of – read the Ends Report! It is the ultimate representation of what shared values can accomplish and it is something to be proud of. By supporting the MFC you are supporting your community.

With gratitude,
Michelle Augustyn

2023 BOARD OF DIRECTORS



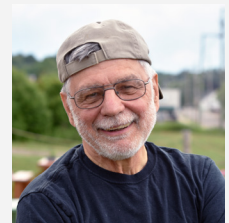
Michelle Augustyn
PRESIDENT



Nathan Frischkorn
VICE PRESIDENT



Tom Rulseh
SECRETARY



Richard Kochis
TREASURER



Mary Pat Linck



Michael Dewar



Emmanuel Sally



Mary Kramer-Rabine

THE MARQUETTE FOOD CO-OP
GLOBAL ENDS



The Marquette Food Co-op provides the region it serves with access to food, products, services, and education that foster a thriving, equitable, and resilient community by:

**PRIORITIZING
LOCAL AND
ORGANIC FOOD
SYSTEMS**

**PROMOTING
COOPERATIVE
GROWTH
OPPORTUNITIES**

**SUPPORTING
AN EQUITABLE
SHOPPING
EXPERIENCE**

**FOCUSING ON
SUSTAINABLE
ENVIRONMENTAL
OUTCOMES**

\$13,609,949

Total sales revenue

1,115

Average customers per day

361,820

Total transactions

\$37.58

Average basket size

361

Days the store is open in the year

13

Hours open in a day





58%
of products have
organic ingredients



\$822,325
of fair-trade
products sold



\$400,000
Amount saved through
NCG Common Supply Contracts



3%
of store sales were
SNAP purchases

85%
Voucher redemption rate
for Double Up Food Bucks

\$22,474
Vouchers distributed
for Double Up Food Bucks

We purchased from at least 15 LGBTQIA+ owned, 110 women owned, 10 BIPOC owned, and 14 Asian American Pacific Islander owned companies.





94

Employees

81%

Full-time staff

86%

Employee participation in
401k program

Staff Benefits

- 20% store discount.
- Health, dental, and vision insurance.
- FSA program for full-time staff
- Life insurance policy for all staff
- Counseling services through Northstar Employee Assistance Program
- Short-term disability policy for qualifying staff



744

Cooking class attendees

289

Youth cooking class participants



245

People at food demonstrations

1,000

People at tabling events throughout MQT County

82%

Average % of participants in 2023 who liked the food samples served at Recipe for Success, a food education program held at the Feeding America West MI food distributions in Marquette & KI Sawyer

11

Number of locations in Recipe Success. Local sampling coordinators across the U.P. were trained and assisted by Co-op staff.

Partnerships that enabled us to offer classes for free to participants:

Michigan Youth Opportunities Initiative, Big Brothers, Big Sisters, Peter White Public Library Tween Program, MARESA Transitions, McNair Scholars, Great Lakes Climate Corp, Teaching Family Homes, Janzen House



5,463

active members

Active means they have shopped in the last year



70%

of sales were to owners

24%

of Co-op's value is from direct
owner investment

\$94,863

earned by owners in our
Owner Rewards Program



\$128,000

of past profits returned to ownership
from the years 2009-2010

308

new owners

90

5/2 membership accounts
paid off



37

new owners through the
Owner Referral Program



\$9,073

donated to area organizations and events

\$5,109

Raised at the register for
United Way



\$6,608

Raised at the register for
local food pantries

\$16,000

Raised by two local schools
through the Farm to School
Fundraiser Program

\$2,137

donated through the
Scrip and Wellness
Gift Card Program

1,086 lbs of food

donated to the Women's Center



\$4,193,691

Spent on local goods,
services, and supplies

\$1,204,859

Total local sales in-store

52

Local vendors

\$198,327

Sales passed through
UPFE Online Marketplace



\$5,504

Purchased from local vendors for Farm to School Fundraising

13

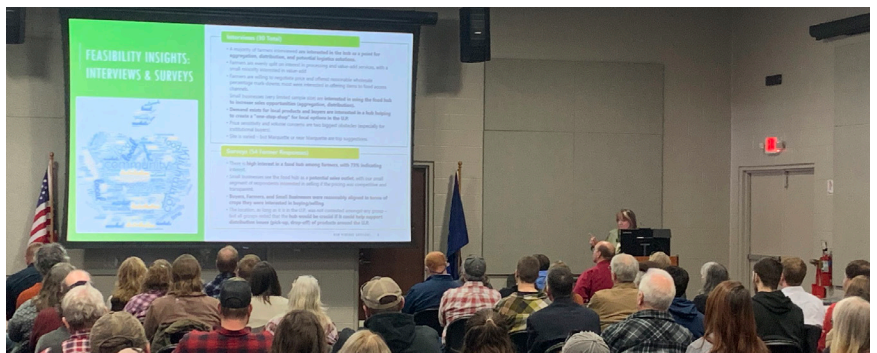
Farmers received \$14,000 for cold storage facilities 2022 & 2023 from the UPFE, MFC, & UPCAP led Farm Infrastructure Grant Program

14

Farmers Markets in 10 counties were onboarded by the MFC/UPFE to participate in the Prescription for Health Program. Individuals over 18 at risk for or diagnosed with a chronic health condition who face economic barriers to eating healthy are “prescribed” vouchers for purchasing fresh produce at the markets.

206

Attendees at the 2023 U.P. Food Summit



UPPER PENINSULA FOOD HUB AND LOGISTICS FEASIBILITY STUDY

The MFC, via the UPFE, was a partner planning organization along with Michigan State University Research and Extension Center (UPREC), Central Upper Peninsula Planning and Development Region (CUPPAD), Feeding America West Michigan (FAWM). NMUCRH was the project lead to explore the possibility of a collaboratively used food hub between local, regional, and charitable food distributors. The interviews and surveys from the project demonstrated that everyone in the U.P. food system, from farms and food producers to buyers to charitable food distributors, is concerned about distribution of local and Michigan food. This project has been granted a no cost extension from the MHEF and continues with a primary focus on collaborative distribution networks in the U.P.

LOCALLY INTEGRATED FOOD TEAMS IN THE U.P. (LIFT-UP PROJECT)

Led by the community educator at the MSU U.P. Research & Extension Center in Chatham, students learn about local food systems and how local food can be integrated into schools. Online Marketplace Manager Eli Hopp visited LIFT-UP classrooms to educate students on the importance of sourcing locally, met with the school's food service directors to help them source local food for their lunchroom meals, gave feedback on the student grant proposals, and worked with the LIFT-UP organizers to develop a local food sourcing guide for the Central UP.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION FOOD HUB GRANT

The MFC received \$17,059.11 to implement programs that further support the WUP Farm to School Grant. This grant covers the materials, labor, and infrastructure equipment needed to start a wax box recycling program like the one the MFC currently. Under this program the wax boxes are saved for farmers to reuse, and the Co-op purchases box liners that ensure the food is safely stored. The box liners are bought in volume at a discount and the farmer only buys what they need at the reduced price from the Co-op. The UPFE Marketplace Manager is doing the work to get the project going and then will pass the program to the Keweenaw Co-op when they open their new store.

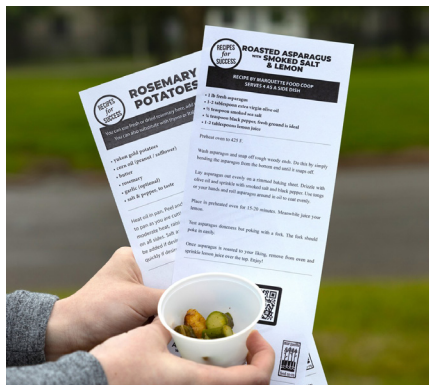
Additionally, farms who choose to participate in the WUP Online Marketplace to sell to our partnering ISDs and the Keweenaw Co-op will receive a "signing bonus" of a wholesale equipment starter package, which will include wax boxes and liners as well as racks for their coolers and crates for storage. Racks and crates will be allocated as needed based on the needs of the farm, which will be assessed by UPFE. This will be accompanied by training on food safety procedures.

MI GOOD FOOD FUND

Michigan Good Food Fund invests (\$50M fund) in food and farm entrepreneurs across the state, offering flexible financing and tailored business assistance that supports vibrant, equitable communities. It meets entrepreneurs where they are, connects them with what they need, and builds necessary long-term relationships that help their businesses sustain. Matt Gougeon is a member of this twenty member stakeholder board, the only representative of the UP, and the only representative of cooperatives.

WESTERN U.P. FARM TO SCHOOL GRANT PHASE II

The Western Upper Peninsula Planning & Development Region (WUPPDR) received \$37,409.40 in 2023 for Farm to School work. Part of those funds are allocated to create a market day on the UPFE Online Marketplace for the WUP for purchasing only, to update the UPFE website to reflect this new option and pay the current UPFE Online Marketplace Manager to act as a Farm to School broker for the schools in the WUP. This work only just got started in 2023 and will continue over the next two years.





502 W. Washington St.
Marquette, MI 49855

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

www.marquettefood.coop
Marquette, MI 49855

