

February 19, 2019

Policy Type: Ends

Policy Titles: E- Global End

E1- Food

E6- Environmental Stewardship

E2- Local Emphasis

E7- Community Leadership

E3- Economic Vitality

E8- Outreach & Education

E4- Model Workplace

E9- Owner Engagement

E5- Wellness

Last Revised: February 17, 2015

I report compliance with each policy.

Signed: _____, General Manager

Date: January 15, 2019

The unique aspects and attributes of the cooperative business model that differentiate us in structure and function from other businesses, now have direct applicability in a vastly changed grocery industry and marketplace. It is, perhaps, the worst time to be a grocery retailer and the best time to be a grocery shopper. Our success as a community owned grocer lies in the latter and may be represented in a single word: relevancy. In the last ten years the rest of the grocery world has caught up to what we have always known; selling organic food, local food, and being environmentally responsible businesses is the right thing to do and is good for business in general. However, relevancy has now entered the lexicon of grocery. For a long time relevancy has been conflated with customer service rather than recognized as the foundation upon which customer service is built. In grocery today, there exists the necessity to win the hearts and minds of your customer and thereby their loyalty. The cooperative model is built upon the hearts and minds of its patrons. The rest of the grocery industry comes to this revelation as they always have, from the top down. One of the ways in which they succeed in being relevant is through the idea of convenience and efficiency. They create omni-channel strategies that blur the lines between in-store and online shopping making convenience and access its own kind of currency of service. No longer can we rest on our laurels, looking in the rear view mirror and expect, as we have in the past, that

loyalty has been won on the basis of our membership structure. As we have experienced in the past year from new competition enticing ten percent of our business away, loyalty to the MFC must be won every single day. We must create our own frictionless store experience not in response to competition but to augment our cooperative structure. We must be available to our members and other shoppers in ways that are agnostic to where they are physically, economically, or socially. The key to relevancy and being an effective agent for our patrons has three legs; productivity, sustainability, and accessibility.

We have had success in being more productive and it has led to the Livable Wage and good results for all stakeholders. Sustainability, in the sense I use it, refers to continuing to achieve a long term balance of operational systems that outlasts market fluctuations and overcomes obstacles- playing the long game. Accessibility is where our future lies. We will create more ways in which we avail ourselves to our patrons and others not only to sell more product but also to bolster the cooperative business model and strengthen our communities.

Our Ends Policies define relevance for the Marquette Food Co-op. They are our advantage in the long game of retail grocery and articulate the intent of this cooperative.

Global: 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.

Interpretation/Operational Definition: This policy proscribes broad criteria of product attributes and for whom these products are made available and assumes that through adherence to this policy, members of the Co-op may find relevancy in the store. The MFC makes available local, organic, and wholesome products. We also promote healthy living to anyone, educate about food and related issues, and endeavor to exemplify sustainable practices. This policy stipulates that we educate about these criteria and products. We assume that good food is at the heart of building a healthy community without barriers to the access of either. This policy also requires that as a business we take measures to not simply use less resources but to also re-use resources, return resources, and generate new resources as we operate.

Data:

By operating a consumer cooperative, the MFC liberally provides the kinds of products described in this policy. At any given time, 60% of the products in the store are organic. More have at least some organic ingredients. Purchases of local products equate to 12.9% of all purchases. There are more than ten thousand items for sale in the store.

The MFC continues to conserve energy and re-use resources through the energy efficiency measures and gray water systems built into our facility. See data for policy E6 Environmental Stewardship for more detail.

The MFC also has robust educational offerings for both members of the cooperative and the public. Often, those classes act as a bridge to connect new people to the store and our broader mission. We

partner with other agencies and spread the word about good food across the U.P. We have worked at the state and national level of food safety protocols for small farms.

More detail about how the MFC is structured, functions, and responds to member need is detailed in the rest of this report in the following policies and their interpretations.

E1: Food- The MFC provides access to local, organic, wholesome, and fairly traded food and products.

Interpretation/Operational Definition: The MFC seeks and purchases local, organic, wholesome, and fairly traded products as a significant part of a dynamic product mix. We establish mechanisms and means by which people may access these foods and products.

Data: The MFC is open 361 days a year. January through March the store is open 13 hours per day. Between April 1st and October 31st the store is open from 8am through 10pm or 14hrs per day. We transact in cash, check, credit, debit, and EBT. We also allow owners to front load their member accounts with cash to use in future purchases. We are yet the Upper Peninsula’s only grocery store offering Double Up Food Bucks (DUFB), a federally funded voucher system for EBT users that provides them with twice the value on fresh produce purchases.

DUFB began in late summer and is now a year round offering. Total voucher value and redemption in 2017 tripled over the inaugural year. Voucher redemption has increased ten times since 2016.

	<u>Voucher Value Distributed</u>	<u>Vouchers Redeemed</u>
2016	\$1,496.00	\$1,334.00 (89%)
2017	\$5,229.00	\$3,903.00 (75%)
2018	\$12,936.00	\$10,997.00 (85%)

Owners and shoppers are allowed to special order product by the case for further savings. The MFC has several regular promotion programs currently running that bring reduced pricing to members and shoppers.

- Co-op Rewards; an everyday point system of rewards for owners with points redeemable at the register.
- Co-op Deals; a bi-weekly NCG manufacturer rebate program.
- Co-op Values; store generated discounts that focus on perimeter products such as produce, meat and seafood, and prepared foods. This program began in 2016, but the volume of products offered doubled in 2017.
- Holiday or Event based sales; we built on the work of 2017 and offered more dynamic sales and opportunities including increased sampling. These sales include specials for the Super Bowl, St. Patrick’s Day, Easter, Memorial Day, 4th of July, Labor Day, Thanksgiving, and Christmas. We

even gave away 69 free turkeys at Thanksgiving to shoppers who spent \$150 or more in the store.

- TPRs (temporary price reduction).
- New Items; generated from UNFI and highlight new product. We provide a handout with ten highlighted new products monthly in the Fresh Feed Newsletter and in our sales flyer in the store.
- Coop Basics; an NCG generated program serving as an Everyday Low Price promotion providing deeply discounted product throughout the store mostly through the Field Day label.
- In Store Special (ISS); department manager generated, product close outs, or TPRs.
- Case Stacks, Flash Sales, and other special promotions.

Satori (formerly SPINS) is an organic and specialty product grocery analytics company that we use to track sales data of products we sell and that of other similar stores in our Midwestern region. As reported here last year, using SPINS data and our own internal data we find that 60% of product sold in the store was 70-100% organic.

Product selection and product availability is also a point of access. As demand for the kinds of product we sell increases throughout the country, availability of such products declines. In late 2018, we began discussions with new distributors, KeHe Distributors and Lipari Foods, in an effort to increase our opportunity at selection and availability.

Local food may be regularly purchased at the store year round. Of \$786,174.00 in purchases of all local product, \$759,110.00 was food. This is a 22% increase over the last year. Through the UP Food Exchange's Online Marketplace, local food (excluding meat, eggs, and dairy) is purchased by MFC and other institutions like schools, hospitals, restaurants, and universities throughout the U.P. \$204,819.00 of sales passed through UPFE's Online Marketplace from local farms to Co-op and other wholesale customers. The UP Food Exchange was also the vendor supplying local products for four Farm to School Fundraising campaigns. Students were responsible for selling products to community members and a percentage of the sales went to fund educational opportunities and materials at those schools. (See data in E8, Education and Outreach for more detail).

The MFC contracted with two main suppliers in 2017, United Natural Foods International (UNFI) and Co-op Partners Warehouse (CPW). UNFI is the nation's largest wholesaler of organic and natural foods for the grocery industry. CPW is an off shoot of the Wedge Co-op in Minnesota and provides us with organic and fair trade produce. We are one of CPW's largest single customers- which is saying something as they serve all the twin cities and Wisconsin co-ops as well. We were also served by two other distributors in 2018, Russ Davis, produce wholesaler and Cherry Capitol Foods, a Michigan foods wholesaler. Our Prepared Foods and Meat & Seafood Departments is served in part by Sysco, a national food distributor. We also brought on Valley Bakers Cooperative of Wisconsin as a significant supplier. In fact they awarded us their "New Member of the Year" award in 2018. There are more than a hundred other independent vendors represented throughout the store.

Because of our membership in the National Cooperative Grocers, we share a common UNFI purchasing contract with 147 other member co-ops representing more than 200 stores in 37 states. This contract gives us markedly reduced costs on product than if we were an independent store. These cost savings are passed along to our shoppers. Reduced pricing is a point of access for Co-op patrons and Our NCG negotiated purchasing contract with our main supplier, UNFI brought roughly \$285,000.00 in reduced purchasing costs and thus savings to patrons through volume purchasing price breaks Product from UNFI accounts for about 60% of product on the shelf.

As mentioned previously we seek new and additional vendors for product. Increased demand on UNFI to fulfill a growing outlets for product that they sell and their questionable purchase of conventional distributor SuperValu and all of their customers has put us and all of NCG in the perilous position of losing product availability at an increased rate. Thus in 2018 have we begun to seek more sources for organic and natural foods. That said, we remain the area's single largest "one stop" purveyor of local, organic, wholesome, and fairly traded foods and products.

E2: Local Emphasis- MFC gives preference to local products and services that align with operational principles.

Interpretation/Operational Definition: The MFC purchases products and services locally that support store policy and make good business sense.

Data: *Please see the data from E1 for data on local food/product purchases and E3 Economic vitality for financial figures relative to purchases of local product and services.*

The MFC gives preference to local product by:

- Keeping it price competitive with national competitors.
- Giving prominent shelf space to it and lots of promotional visibility. The word "local" is prominent in store marketing.
- Facilitating, designing, and then training food safety protocols for suppliers.
- Integrating local food into our cooking classes.
- Hosting farm tours for the last thirteen years.
- Continued participation in the UP Food Exchange and management of the Online Marketplace.
- Convening the Central UP Food Policy Committee and the central U.P. Farm to School Committee.
- Opening new institutional markets to growers.
- Making local food integral to the UPFE Farm To School Fund Raiser fund raising program for local schools. The Farm to School Fundraiser continued to grow in 2018.
- Serving as an aggregation site for U.P. farm products.
- Developing distribution opportunities for local food.
- Keeping local in the media spotlight.

The MFC gives preference to local services by: Choosing local service providers over national or multi-national providers unless it is clearly price prohibitive to do so.

Through the NCG, we have a common purchasing contract with a variety of national vendors for paper products, containers, displays, etc. These cooperative contracts keep costs low and we don't seek local vendors for these supplies. But we purchase services like cleaning (Spiffy Clean), general maintenance (Tamarack Builders), accounting (Pat Thompson & Paul Nardi), legal (Michelle Halley), and financial services (Range Bank & Northern Initiatives) locally. Our insurance is purchased through a local agency (VAST), and our garbage hauler (Northcountry Disposal) is also local.

E3: Economic Vitality- The MFC uses the cooperative business model, primarily through a retail storefront, as a component of a robust local economy.

Interpretation/Operational Definition: The MFC shall remain economically viable while maintaining a cooperative organization and structure. Further, we positively impact our local economy through our payroll and purchases of as many local services and products as makes good sense.

Data: By definition, a cooperative exists to serve the needs of its members. A cooperative is also financed, in part, by member dollars. At the end of 2017, 27% of the assets of the MFC were held by direct member investment dollars; \$571,010.00 in member shares and \$473,000.00 in preferred shares. The MFC is structured cooperatively from its corporate documents and bylaws to its representative board of directors elected from the membership.

In 2018, total sales revenue at the MFC was \$9,657,079.00. The following represents how dollars were spent locally on goods and services:

2017	2018
• \$1,773,592	\$1,862,927 back to the community in wages and salaries to employees.
• \$186,415	\$232,632 was paid out in benefits to employees.
• \$589,316	\$786,174 of local food and goods.
• \$6,095	\$11,158 for professional services.
• \$55,329	\$52,361 of insurance through a local agency.
• \$56,494	\$41,499 for cleaning and maintenance.
• \$121,822	\$127,869 utilities & garbage removal.
• \$37,152	\$36,357 for local property taxes.
• \$58,357	\$84,197 on local advertising and media.
• \$10,063	\$7,583 in local donations.

For a grand total of \$3,242,757.00 or 33.5% of total store revenue returned or spent locally or within our community. This is a 2.5% increase over last year. It is held that for every dollar spent locally, 45 cents of that dollar is reinvested locally. This is known as the local multiplier effect and equates \$1,459,241.00 remaining in this community.

E4: 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.

Interpretation/Operational Definition: The MFC is a good place to work. There exists a culture of professional respect among employees and open lines of communication. Employee compensation and benefits are weighed against operational capacity.

Data: Communication- Store Administration and Management communicate with staff via meetings, memos, postings, and emails. Additionally, all departments have a communication log or board where important information is placed for store and department specific information. Staff receive an Employee Satisfaction Survey annually, and a Benefits Survey bi-annually as a means of gauging staff preferences and interests in their work life. Survey results corroborate that the MFC is a good place to work. Also, the General Manager, has an “open door” policy and will meet with staff at any reasonable request.

Work Place Safety- The MFC Safety and Emergency Plan is revised annually. The plan includes all necessary information for management and staff to work safely within our facility. It outlines emergency procedures and defines roles for employees in such instances. It includes safety policies and procedures for departmental use and a Product Recall/Foodborne Illness protocol. This document was updated in 2018. Workplace safety is a focus for 2019. The Safety Committee was on hiatus in 2018. But plans were made for 2019 monthly departmental safety audits to be completed by a staff member of each department. We will reprise Safety Week in August of 2019 when different safety foci will be highlighted each day, i.e. Back School, fire extinguisher training, etc.

Our Experience Mod, which is the determining measure of our Workmans Comp. insurance rate, continues to be low at .79. An average Mod number is 1.00. This is a very good number that continues to keep our Workers Compensation premiums near \$13,000.00 for the year. The Experience Mod number is a measure of workplace accidents and their severity. The Workplace Violence Prevention Program is given to all MFC staff during orientation.

Compensation & Benefits-The MFC Compensation Philosophy abides:

The MFC compensation philosophy allows for wages and benefits that are meaningful, clearly communicated through an effective administration system, and include special benefits that make us distinctive as an organization.

MFC strives to pay competitive wages for staff who have achieved full competency, and allow for pay ranges that reflect responsibilities, specialized skills, and pay increases that reward longevity and performance. Our wage schedule provides guidelines so that compensation decisions can be made with confidence and consistency.

Our goal is to meet or exceed the mean wages, paid by position, as determined by the US Bureau of Labor and Statistics for the Upper Peninsula of Michigan. All pay decisions are balanced against organizational need and capacity.

Livable Wage is a compensation model that takes into account the actual costs of living in a specific geographic area. It is formulaic in structure and when data is applied to the formula, a sample wage to cover those costs of living is the result. Data for the formula originated from the Federal Bureau of Labor Statistics, the Federal Census, Department of Housing and Urban Development, USDA, and other aggregated business and industry data. Based on that data it was determined that the new base wage at the MFC would be \$11.56 per hour. This raised our base wage from the previous \$8.90 per hour. Additionally staff were given .01 per hour raise for every month of tenure at the MFC ensuring that all

staff received a bump in pay regardless of whether their wage was already above the new minimum. 2018 was our first full year of Livable Wage implementation. Our financial goal for total labor costs to be 24% of revenue or less was achieved.

Livable Wage has positively impacted our employees and our community. It also reduced employee turnover. Hopefully other businesses in our community will see the value of no longer perceiving labor as a cost but rather an investment in people.

There is also a full slate of benefits for staff at the MFC. The list of employee benefits at the MFC follows:

Upon employment

- Both full-time and part-time employees:
 - 20% discount on most grocery items 10% discount on beer, wine and deli items.
 - Cost plus 10% on special orders.
 - Employee pricing plus 10% on special orders from the sale flyer.
 - Opportunities to attend Outreach events for free (some assistance may be required).
 - Free items in the staff break room.
 - Anytime Fitness membership discount - \$29 per month for 12 month contract.
 - Transportation Benefit for bicyclists and public transit commuters.
 - Employee Assistance Program with Northstar.

Upon completion of 90 day training period

- Full-time employees:
 - Flexible Spending Account (FSA): \$500/year, November-October.
 - Paid Time Off (PTO): Based on accrual system (Accrual Rate per Hour: .0308).
 - Assurant Vision Insurance with available buy up options for self and dependents.
 - Assurant Dental Insurance available for purchase.
 - BCBS health Insurance, MFC pays 61-71% (based on wage) of premium cost, employee pays remainder.
 - Aflac Supplemental Insurance available for purchase.
 - Bereavement leave, 2 paid days to attend funeral of close relative.
 - Life and Accidental Death enrollment available.
- Part-time employees:
 - Paid Time Off (PTO): Based on accrual system (Accrual Rate per Hour: .0308).
 - Assurant Vision Insurance with available buy up options for self and dependents.
 - Assurant Dental Insurance available for purchase.
 - Aflac Supplemental Insurance available for purchase.
 - Bereavement leave, 2 paid days to attend funeral of close relative.
 - Life and Accidental Death enrollment available.

Upon 1 Year of employment

- Both full-time and part-time employees:
 - PTO accrual rate increases to .0461 per hour.

- FMLA eligibility.

E5: Wellness-MFC promotes health and wellness in our community through the principles of eating good food, staying connected, being active, and rest.

Interpretation/Operational Definition: The MFC supports healthy living and a balanced approach to wellness that takes into account both mind and body.

Data: The MFC has promoted health and wellness since its inception in 1971. We were formed by people who sought good food in order to be healthy and well. Since then, the MFC has positioned itself as the premiere health and wellness retailer in the area. The following provides a look at how we do this:

- We are a one stop shop for everything from healthy foods to our own brand of vitamins and supplements with a knowledgeable staff to help answer customer questions.
- We have an Outreach Department to spread the word about our products and teach people to use them.
- Sarah Monte chaired the ACHIEVE Community Wellness Committee for part of 2018. The committee works to promote health and wellness through environmental and policy change.
- Through UPFE we work with schools to implement fundraising activities that sell farm products instead of candy.
- We donate food or sponsor events that promote active lifestyles like the Noquemenon Ski Marathon, Kicks For Kids 5k race, the Iron Range Roll race, the Ore to Shore, and the Marquette Trail Running Club races.
- We have information tables at events like Aspen Ridge School Family Night, NMU Wildcat Wellness Health Fair, the Holistic Health Fair, and the Gwinn School Health Fair.
- We offer low cost or free food demonstrations such as green smoothies for schools and youth groups. This includes scouts, 4H groups, daycare facilities, and in public school classrooms.
- We offer hands on cooking classes that help people connect with not only food but also each other. We work to ensure classes are accessible to people of different socioeconomic backgrounds, by partnering with other organizations such as NMU, the Downtown Marquette Farmer's Market, Teaching Family Homes, and Big Brothers Big Sisters.
- In 2018 we debuted "Yoga at the Co-op", a free hour long yoga class every Sunday from mid-January through May.
- We provide a breast feeding/pumping room for nursing mothers and offer staff benefits like giving discounts on vitamin C and other cold/flu remedies, paid sick time, discounted gym memberships, and give free discounted produce to staff in the staff break room.

E6: Environmental Stewardship- MFC strives to conduct its operations in an environmentally conscious manner.

Interpretation/Operational Definition: The MFC will keep a light environmental impact "top of mind" while operating.

Data: Our building has two gray water systems, LED lighting on timers and motion detectors, reclaimed waste heat from compressors, and proper insulation. We also make use of green space to absorb parking lot run off. Overall, compared to our old location, we have realized a net decrease in energy usage.

- We have two store initiatives focused on “greening” the store; the 502 Eco Tribe internal sustainability team and participation in the NCG’s Co+efficient program. Formed at the staff level, 502 Eco Tribe develops sustainability measures in store operations. 502 Eco Tribe, comprised of staff members representing each department, meets monthly, to discuss opportunities and implement initiatives to make our store and operations as green as possible.
- In April, Eco-tribe hosted their first public event in a public screening of the documentary *Wasted: A Story of Food Waste* at the Ore Dock Brewing Co. The Co-op partnered with St. Vincent DePaul, Partridge Creek Farm, NMU Dining Services, Northcountry Disposal and the Marquette County Solid Waste Authority for a panel discussion on the waste process in Marquette County. About 100 people attended the event.
- Our participation in Co+efficient, the NCG’s co-op sustainability program will provide data for measuring our impact in our community. From NCG’s Website: “Co+efficient, NCG’s co-op sustainability program, works to measurably improve co-ops’ social, environmental and local economic impacts. We do this through three main steps, each with tools and resources to help guide the process, making it applicable for co-ops with advanced or new sustainability programs.” The three steps are Measure, Analyze, and Improve.
 - 2017 marked our first full year of data gathered for Co+efficient.
 - In the Spring of 2018 the MFC was awarded a “Sustainability Star” by the national Co-op Grocers for creating positive sustainability impacts the previous year. We were one of eight Co-ops around the nation to receive the award, showing extraordinary advances in ways of sustainability.
 - While we are awaiting a full analysis of our 2018 data, a stand-out metric from 2018 that the Co-op is proud of include donations of food and composting.
 - \$183,786.00 worth of product was donated to local homeless shelter & women’s shelter or given to staff.
- In addressing food waste: All waste from our Produce Department is transferred to the deli for use the day’s food preparation, or given to local farmers as compost. Outdated product that is no longer sellable but still edible is directed to staff. Day old bakery items and community food donations are taken across the street and donated to the Room at the Inn warming shelter and/or the Women’s Center/Harbor House.

E7: Community Leadership- MFC takes a collaborative leadership approach to positively impact our community.

Interpretation/Operational definition: The MFC does good work in our community by partnering with other agencies and businesses.

Data: The MFC is a willing community partner and leads through service to other people and agencies. What follows is a list of initiatives, partner agencies, and our role in working with them.

- UP Food Exchange:
 - 2018 marked a change in the structure of the UP Food Exchange. Former points of contact in opposite ends of the UP, Michelle Walk of MSUE and Ray Sharp of the Western UP Health Dept moved on to other roles that do not include local food work. This brought the opportunity to refresh connections across the UP and adopt a new structure that brings together many representatives of food system development in the UP. This new structure allows us a better perspective of food needs outside of the central region of the UP. Having begun in October of 2018, enthusiasm and participation is high in this new group that includes MSU Extension, Western UP Health Department, WUPPDR, Taste The Local Difference, the MSU Product Center, Bay Mills Community College, Federally Recognized Tribes Extension Program, Fresh Systems LLC, and more.
 - Central UP Food Policy Committee- we host, take notes, and assist this committee that looks at ways to encourage the development of local policy that favors local food production and supports the UP's ability to provide for its own food needs. Partners include MSUE, city, township and county planners, and citizens. In 2018 the Policy Committee assisted the Cities of Marquette and Ishpeming to create language for new land development codes that support agricultural activities. The code is slated to replace the old code in 2019.
 - Central Upper Peninsula Farm to School Committee- Please see data for E8, Outreach & Education.
 - Coordination of the Online Marketplace, website, Farm to School Fundraising, and Plowshare Newsletter.
- ACHIEVE:
 - Participating organizations include YMCA, Marquette County Health Dept., NMU, CAAM, MSUE, UPHealth Systems, BC/BS, UPHP, Western Marquette County Health Foundation, The Downtown Marquette Farmers Market, JJ Packs, Peter White Public Library, and the Sault Tribe.
 - We have been active partners in the development and maintenance of this coalition since 2010. Sarah Monte resigned as chair this past year but remains an active participant.
- MSU Extension UPREC Advisory Council:
 - Matt Gougeon sits on the council which advises the UPREC Director about current and future programming needs of U.P. citizens and farmers.

- Taste the Local Difference (TLD):
 - We help connect TLD to local farmers, assist with the storage, distribution, and promotion of their local food guide, and generally support them in their Outreach efforts in the Upper Peninsula.

- United Way:
 - Our involvement with United Way has grown over the last two years, with increased promotion and a well-trained and motivated staff leading a round-up program. This year we raised \$6,503 – \$2,003 over our original goal.

General Manager Matt Gougeon currently sits on the board of the Marquette Chamber of Commerce and is Vice President of Michigan Energy Options, a growing alternative and renewable energy non-profit with offices in Lansing, Grand Rapids, and Marquette. MFC staff have been integral to supporting several chamber initiatives; Be Local Buy Local gift card program, Marquette 365 calendar, and the Evolve Marquette Committee. Outreach Director Sarah Monte sits on the board of Michigan Farm to Institution Network Advisory Board.

The MFC continues to be a leader in farm food safety in the U.P. by working with the farmers who supply our store as well as farmers around the U.P. who are connected to UPFE. Through UPFE, the MFC provides yearly food safety training. Our Co-op assists MFC suppliers with production planning and makes annual educational visits to each farm to help them stay current with food safety best practices. MFC Board President, Phil Britton, is the director of the Michigan GroupGAP Network. This group works to create a state wide, collaborative food safety system. The MFC remains part of the USDA/Wallace Center GroupGAP Community of Practice which is an extension of the GroupGAP Pilot Study work that we were part of in 2014-2015.

E8: Outreach and Education- MFC uses multi-faceted approaches to proactively engage our community and promote cooperative principles and support the operations of the store.

Interpretation/Operational Definition: The MFC shall offer a variety of educational opportunities for both members and the public. These educational offerings shall exemplify and be guided by the cooperative principles and will generally focus on food and related issues as they pertain to MFC policies, practices, and member need.

Data: Classes and Events:

There was increased focus on our cooking classes and food demonstrations in 2018. More Outreach staff were trained to administer classes and as such we were able to offer more opportunities. Our reputation as a resource for food education has grown to the point that without any advertising we held nearly three times as many private cooking classes as the previous year. In addition to this growth we grew our sampling program on the store floor, attended large tabling events, and gave small presentations. Through these avenues alone Outreach staff interacted with over 3,500 people. Adding in people attending cooking classes or demonstrations Outreach programming has reached nearly 5,000 community members.

Public Classes:

- These are our typical classes that teach a variety of ethnic and seasonal cooking styles. We offered 28 of these classes in 2018 with overall attendance of 359 people.

Private Classes:

- The Co-op hosted 49 private cooking classes in 2018 with overall attendance of 598 people.
- While businesses and organizations such as VAST, MARESA, and Grow & Lead: Community and Youth Development, NCLL, and Range Bank continued to schedule with us, we saw an increase in both individually organized parties and in recurring class scheduling.
- We also had a record number of children focused classes. Many more youth oriented groups approached us to host cooking classes. Big Brothers Big Sisters wrote us into grants to ensure year round cooking classes for program participants.
- We offered 36 youth specific programs, both private and public, working with 488 children. These numbers reflect high school age and below.

Demos at conferences and events: 16 demos both offsite and at the Co-op, with an overall reach of 435 people.

- A sampling from the list includes demonstrations at the Downtown Marquette Farmers Market, NMU, and the Upper Peninsula Early Childhood Conference.

Farm to School:

Outreach Director Sarah Monte was part of a team that submitted a National Farm to School grant this past year. The team included MARESA, NMU, Partridge Creek Farm, and the team leader MSU North farm. While no news regarding grant awardees has been publicized yet, this represented a big step for farm to School programming because the grant will be administered through MARESA. MARESA's participation shows farm to School ideas gaining traction in our region and supports school buy-in to the programming.

Farm to School Fundraiser: The below data is from last year's report. We grew this program in 2018, but as of this date do not yet have updated data.

We are the direct organizer for this Central Upper Peninsula Farm to School fundraising program where students raise money for their schools selling farm products. Through the U.P. Food Exchange platform and program templates developed by us, schools work with us instead of downstate organizers. Three schools participated in 2018 and purchased \$12,045.00 of product directly from local vendors. This is a 14% increase over last year. This netted the four organizations \$10,134.00 in profit for themselves- a 5% increase.

E9: Owner Engagement- MFC maintains connection and relevance to its owners and encourages them to take an active role in order to sustain the cooperative.

Interpretation/Operational Definition: The MFC maintains open communication with its owners and encourages and seeks their input.

Data: We have an ongoing and robust Customer Suggestion system. We average about 10-15 suggestions, compliments, or complaints per week. Each suggestion is responded to personally by Bea Steeland, our Owner Services Coordinator, or routed to the most appropriate person for a response. All comments and responses are recorded and archived. Most customer comments are relative to product requests, and we are pleased that our customer suggestion system has assisted us in bringing numerous in-demand products to our shelves, and continues to help us improve the shopping experience for our customers.

In response to our extensive customer survey of 2015, we spent all of 2016 preparing a comprehensive marketing plan, developing new pricing structures, and planning resets and new product strategies to satisfy what we learned from that survey. The Board of Directors have been reported to variously about these changes throughout 2017.

The Co-op newsletter, The Fresh Feed, launched on the first day of 2017. Member response has been positive, with about 4,500 subscribers currently receiving it directly to their email inbox each month. We are able to track engagement with the Fresh Feed through our email marketing service. We can see how many people are reading the newsletter, and even which articles they are most interested in. Our open rate is about 30%, well above industry average. Hard copies of the newsletter are also available in the café. Each newsletter contains information both relevant and timely to our owners, including regular updates from the GM and Board of Directors, sales & specials, recipes, staff picks, a new items list, upcoming events, and monthly features that promote our values and reflect the current season.

Throughout the last few years, social media has proven to be a positive tool for communicating with our member base and beyond. The Co-op regularly posts updates to Facebook (8,274 followers), Instagram (1,803 followers), and Twitter (1,247 followers), with content that includes sales & specials, giveaways, products, events, community initiatives, recipes, ownership information, job postings, and more. Typically, we post 1-2 times per day. We have a high level of engagement on our public posts, and customers also regularly communicate with us via direct messaging on these platforms, asking questions about product availability, ownership, etc.

Knowing that people “communicate” with their dollars, we regularly analyze shopping trends and customer purchasing habits in an effort to understand what is relevant to them about store offerings. Evaluations are used at every cooking class, and they include a question about what classes the customers would like to see in the future. These are tallied, and the top 5 most requested classes are given priority for the next class season.

Members may also stay in touch with the store through email, phone, and easy contact with any staff or administrative personnel.

Summary

Having new competition enter our market in 2018 served both as a “wake- up call” and a good reminder. We were awakened to the fact that we should never take steady growth for granted or that even our most fervent patrons might not take their food dollars elsewhere for perceived value. We are not the only place where community need may be met. But we were reminded that the mechanisms of cooperation serve as a solid foundation on which to return when the business climate becomes turbulent. As evidenced in the information in this report, the Marquette Food Co-op is much more than just a retail grocery store. Our market is more than just folk’s food dollars. Through reliance on policy we tend to the things that make our cooperative integral to the fabric of this community. But the fulfillment of policy is not always visible or profoundly felt by the patron shopping in the store. If we are anything, we are a culture of consumers, for good or worse, and no matter our higher minds. As such and as stated in the preamble to this document our continued progress relies on productivity, sustainability, and accessibility.

We must be efficient agents for our patrons and stakeholders. Efficiencies allow us to be productive and are the currency for Livable Wage, education, and programming. Efficiencies help to keep costs and prices low. The structure of cooperation, sound policy, and enacting strategy allow us to sustain the operations of the store which then returns a third of revenue directly back into the community. We must avail ourselves to not only our community but also to the cooperative model. We do this through enticing promotion, product selection and price, and comprehensive policies. Last year in this space I wrote:

We are self-governed. We are inclusive of everyone and play well with others. We are an economic engine. We are beholden to no other agency or individual. We are seasoned and excellent collaborators. Education and learning is in our DNA. What is good for us, we make certain is also good for our community.

What more could be asked of any organization? What more could entice continued participation, continued growth, continued respect, and continued progress toward human equity? Now more than ever, the Marquette Food Co-op exemplifies a humane relevancy in a culture and world careening toward its opposite

Much in the vein of JFK, I invoke the opposite sentiment this year. This organization has proven itself year over year to be progressive, insightful, vital, and courageous. It has laid what it has at the feet of everyone. There is value in the Marquette Food Cooperative in some capacity for anyone; economic, social, health, wealth, communal, and good food. If productivity, sustainability, and accessibility define our path forward we must not think that those attributes are only for us to provide for others. We must also include ourselves as the necessary component of cooperation. Look inward, and determine what it is that you may do for this cooperative to make it powerful, long lived, and growing.