

February 18, 2025

Policy Type: Ends

Policy Titles: E- Global End

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:

- E1: Prioritizing local and organic food systems.
- E2: Promoting cooperative growth opportunities.
- E3: Supporting an equitable shopping experience.
- E4: Focusing on sustainable environmental outcomes.

Last Revised: January 2023

I report compliance with each policy.

Signed:



Matt Gougeon, General Manager

Date:

The cooperative business model is harnessed to socioeconomic development and individual wellbeing. The characteristics of and capital structure of a consumer cooperative create a system of mutual aid that plays out in a grocery store setting. An organization built in this way becomes a community hub that results in virtuous outcomes for co-op members and others.

The Seven Cooperative Principles provide a foundation for conducting business in an equitable manner.

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education and Training
- Cooperation among Cooperatives
- Concern for Community

These principles ensure ample opportunity to deploy bottom- up, non-exploitive business practices. A business built on this principled foundation of community ownership makes the cooperative a resilient

people centered model. Consumer ownership, by definition, establishes a reliable, committed, and invested customer base. The financial success of the cooperative ensures that the social goals of the organization are realized.

Through Policy Governance, our social goals are written into our Ends Policies, which articulate our Cooperative's values. Policy Governance recognizes four basic elements critical to the success of an organization governed by a board of directors. These elements, applied to the Marquette Food Co-op, are:

- Linkage with the membership
- Articulation of organizational values
- Assurance of sound operational performance
- Perpetuation of the organization.

Policy Governance addresses these elements and diminishes organizational dysfunction through four categories of policy:

- Ends policies articulate the values of the organization and provide contexts for all operational activities.
- Delegation policies establish duties, responsibilities, and accountability of both the board and the General Manager.
- Governance Process policies establish the role of the Board and the parameters in which board work is done.
- Executive Limitation policies restrict the activities of the General Manager to ensure organizational values are upheld and to achieve the desired operational results.

The role of management is to reasonably interpret all policies and direct operational actions to comply with all policies. Compliance with, and fulfillment of, the Ends Policies primarily indicates organizational success at all other policy levels.

This report will show how we have fulfilled our Ends. I report compliance with the Ends Policies.

Global Policy:

The Marquette Food Co-op provides the region with access to food, products, services, and education that fosters a thriving, equitable, and resilient community.

Interpretation:

Utilizing the cooperative business model through the primary activities of operating a grocery store, the Marquette Food Co-op (MFC) positively impacts and serves the community and broader region both socially and economically. It accomplishes this through the type of food and product it sells, the education of both members and non- members about food and healthy eating, and by being a good employer. The MFC reduces barriers to access membership in the cooperative and to the access of food, goods, and services it provides. The MFC is visible and active in the community and is a reliable institution upon which members and others may depend.

Data:

Members

Members are the literal lifeblood of the MFC. Per the first Cooperative Principle, membership in the MFC is voluntary and open to all. The value of consumer ownership of a grocery store cannot be overstated. Our members are financially invested in the company. Govern it. And may be employed by it or be a vendor to it. All levels of decision making and operating the MFC are populated by members. This results in the fact that 60 percent of MFC shoppers are members but account for 70 percent of store revenue. Per the 2024 financial statements, direct member investment of \$1,236,147 accounts for 24 percent of the value of the assets of the cooperative and 44% of total equity. Total community owned assets of the MFC exceed \$5.3M dollars.

A lifetime member share costs \$150.00. That value may easily be recovered by a new member within a year through Owner Rewards, special pricing and promotions, reduced pricing on classes, and patronage dividend. A new member may participate in the MFC 5/2 Plan which allows a new member full benefit of membership with a \$5 dollar down payment. A \$2 fee is attached to their purchases every time they shop and is applied to the balance of the equity investment until fully paid. In 2024, 294 new member households purchased equity shares in the MFC. Of those, 39 percent chose to use the 5/2 Plan. Also, 109 5/2 Plan members “graduated” in 2024 from the previous year, fully funding their share. At the end of 2024, the MFC had 5,276 active members. Active status requires them to have made at least one purchase in the store in 2024.

The Cooperative Model

As a consumer cooperative, the MFC’s primary function is that of a grocery store. Members of the MFC largely dictate what is sold in the store. Bottom up, this is accomplished through policy at the Board level, through direct shopper input from customer suggestion/request, and through the store purchasing team. Priority of food and other products purchased for sale in the store is given to those originating from organic certification, locally raised or produced, certified fair trade, from cooperatives, and from underrepresented communities or independents.

Members participate in the MFC through shopping in the store for the food, products, and services they value. Members also participate by voting, running for the Board, and attending classes. Member support of the MFC in this way helps ensure operational profitability. In years of profitability, profit may be allocated to the members. When profit is allocated as such it is called patronage dividend. Profit allocated to the members becomes non- taxable income to the MFC. In such years when a dividend is allocated to the members, a minimum of 20 percent of net profit must be returned as patronage dividend to members in the form of cash. The remaining profit is reinvested into the business but remains in the name of the members for future dividend disbursement. The MFC has allocated 2021 profit of \$367,000 to the members returning \$100,000 in patronage dividend. In 2023, the MFC returned a total of \$128,000 in undistributed allocated income (patronage dividend) to members from the years 2009 and 2010. In 2024 the MFC returned \$116,482 of allocated income to the members for the years

2012, 2013, and 2023. At face value, returning cash to the members has obvious benefits for those who may use the dividend to make more purchases in the store, or take it as a cash payout. However, an additional benefit to the organization is the direct contact made with members. Particularly those who may have had less participation with the MFC in recent days. This direct, personal, and financial contact goes a distance at solidifying relationships with people in the community that otherwise may have been laying “fallow.”

The MFC as Employer

The MFC is a high functioning, solid employer of 84 (94 last year) people, give or take a few throughout the course of any year. We offer competitive pay, particularly to those employees whose tenure exceeds two years. Opportunities for advancement are frequent and pay raises are merit based or come with promotions or added responsibilities to a current job. While our entry level pay is \$14.50 (\$13.50 last year):

- The average wage of hourly staff is \$17.59 (\$15.85 last year).
- The average wage of hourly staff up to two years of tenure is \$15.77 for 29 staff (\$14.64 for 49 staff last year).
- The average wage of hourly staff over two years of tenure is \$18.85 for 42 staff (\$17.65 for 33 staff last year).
- The average wage of salaried staff, excluding the GM, is \$28.07 for 12 staff (\$25.18 for 11 staff last year)
- Numbers of staff per wage scale level:
 - Level II- 42 (54 last year), Level III- 12 (13 last year), Level IV-16 (15 last year), Level V- 6 (6 last year), Level VI-6 (6 last year).

Budgeted pay raises for 2024 were for 5 percent for all staff but realized a total wage increase of only 2 percent, on 12 percent fewer people, compared to 2023 and exceeded \$2.8M dollars for the year. Taxes and benefits paid on behalf of employees increased by 10 percent year over year because more staff signed up for our health benefits. Total payroll for 2024 exceeded \$3.5 million dollars, an increase of 2.6 percent. The MFC has a generous benefits package that includes health, dental, and vision insurance, plus a 401K with a 2 percent Co-op match. There is a short term disability policy for qualifying staff, a life insurance policy for all staff, and an FSA program for full time staff. Employees also enjoy a 20 percent store discount and various premiums throughout each year like MFC clothing, occasional credits to their store accounts, food events, and staff raffles. Please see the 2024 L3 Compensation and Benefits monitoring report for more details.

The MFC as a Local “Multiplier” Company

Whenever possible, the MFC chooses local services and suppliers. According to the American Independent Business Alliance, for every dollar spent locally, 48 cents of that dollar are reinvested locally. The following represents MFC spending on local services and suppliers:

2022	2023	2024
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\$2,488,508	\$2,755,414	\$2,806,780	wages and salaries to employees.
\$428,884	\$435,482	\$482,702	paid out in benefits to employees.
\$566,481	\$601,563	\$591,537	of local food and goods.
\$26,577	\$21,899	\$17,180	for professional services.
\$49,687	\$46,125	\$48,845	of insurance through a local agency.
\$ 51,949	\$49,778	\$37,525	for cleaning and maintenance.
\$ 136,852	\$134,421	\$109,217	utilities & garbage removal.
\$40,292	\$44,155	\$45,732	for local property taxes.
\$114,475	\$99,706	\$111,637	on local advertising and media.
\$13,780	\$5,148	\$6,064	in local donations.

Total spent on local services and supplies was \$4,257,219, representing another \$2,043,465 of continued local investment when applying the local multiplier effect.

Education Programming

The MFC has provided educational programming dating back to 2006. Our cooking classes are popular, sought after, and typically sell out quickly. The classes are designed to be fun and inform attendees about cooking, health and nutrition, local food, and global cultures. We host guest teachers and lead classes ourselves. We offer two “semesters” of cooking classes in the fall and winter with public classes that anyone can sign up for. They often utilize guest instructors who share their cooking knowledge with the help of MFC staff, who handle lesson planning, marketing, ticketing, prep, and clean-up for the class.

The MFC staff also lead classes in our private cooking class program, which allows anyone to book a class that suits their needs. In 2024, we worked with various youth scout troops, Northern Center for Lifelong Learning, Connect Marquette, Eagle Mine, UPHP staff, Livestrong, and private individuals. We also work with organizations who find funding to support access to our classes for groups who may not otherwise be able to attend. For more information on that see E2.

In total in 2024, the MFC hosted 819 attendees at cooking classes. 276 of the attendees were youth under the age of 18.

In addition to our cooking classes, we offered food demonstrations, tastings, and presentations at the United Conference at NMU, the U.P. Farm to School Institute, the Downtown Marquette Farmers Market, Aspen Ridge Family Night, Headstart family programs, many health fairs, and other miscellaneous events throughout the year. Through these events, we interacted with nearly 2,000 people.

The MFC increased opportunities to learn about the preparation of Indigenous foods in 2024. Another cooking classes was offered with new recipes and Outreach staff Amanda Latvala and Pamela Valdez did the first ever demo of Indigenous foods on the store floor. Offsite tabling and conference presentations

on Indigenous food topics were also offered at locations such as the NMU United Conference, Partridge Creek Farm, and an AAUW conference.

2024 was the third year of Recipe for Success, a program held at the Feeding America West Michigan (FAWM) mobile food pantry distributions. In this project, Outreach staff found recipes utilizing food that would be passed out at the distribution. The goal was to help recipients learn new, healthy, and tasty ways to use produce and items recipients previously indicated they would like educational resources for, such as beans. This was a particular challenge as the stock for each truck is not known until 24 hours prior to the distribution. MFC staff then prepared samples of the food and printed the recipe to distribute to people waiting in their cars for the distribution to begin. It was important that the samples and recipe match what was arriving on the truck, so that the participants would have most of the ingredients necessary. In previous years, food, labor, and supplies were covered by grant funds. FAWM only had funds for food costs in 2024, so the MFC donated our labor to continue the program, which was immensely popular with distribution participants.

Partnerships

More details about the MFC as a partner organization are contained later in this report. But it is important to note here that our ability and capacity to partner with others contribute significantly to our role as a reliable institution dedicated to making our community more resilient. It is one thing to be a grocery store providing access to the kinds of foods, products, and services we offer, but it is another thing entirely to take the Co-op ethos, the principles of cooperation, and our dedication to improving the lives of others through food and meeting people where they are at -- not just in the store. Taking the Co-op outside of the store contributes to helping others thrive. It is an action in equitable access to the MFC by collaborating with and externally connecting with others. The result of which is increased community resiliency.

Policy: E1- Prioritizing Local and Organic Food Systems

Interpretation:

The MFC develops systems to purchase and market local food that provides support to the local farm or producer and satisfies the needs of the cooperative and its members. The MFC gives preference to purchasing certified organic food and products when availability and cost are not prohibitive. "Member need" means an abundant, affordable, and varied supply of food originating in the UP. "Cooperative need" means a consistent, high-quality supply of food for efficient purchase. The MFC also purchases local services as much as is feasible -- even, at times, in the face of local services costing more than using non-local services.

The MFC also contracts with suppliers who have product catalogues that primarily include a variety of organic food and products.

- Local food systems mean all the components necessary to bring food grown, raised, or produced in the Upper Peninsula of Michigan to market. This includes farms, value added manufacturing, cold storage, wholesale practices, distribution, and accounting practices.
- Organic food systems mean food certified by the United States Department of Agriculture as organic and made available to MFC purchasers through local, regional, and national supply chains.

Data:

The MFC has worked for many years to help develop local food systems and provide support for local agriculture. Our efforts are practically legend and include local food awareness campaigns, more than a decade of farm tours, farm market management, hoop house education, wholesale training, good agricultural practices certification, food safety training, food aggregation, food distribution studies, production planning, working with farms on pricing to remain competitive with national product pricing, local food marketing campaigns that include photos and information about farms right in the store near where their product is on the shelf, being the single largest purchaser of local food in the UP.

Initiatives from 2024 include:

Local Spotlight

This program highlights local vendors outside of our Produce department. The goal is to make customers aware of the many other local products available at the Co-op and share the business owner's story. The vendor is featured on posters in the store, with special shelf signs in front of their product, in our weekly emails and monthly newsletter, and on social media. A discount of 10 percent is offered by the Co-op, vendors have the option to add an additional discount if they are willing and able.

UP Food Exchange (UPFE) Online Marketplace

UPFE began as a food hub in 2012 funded with a \$165,000 grant from the Michigan Department of Agriculture and Rural Development. This Regional Food Systems grant was the first of its kind and funded five different hubs throughout the state of Michigan. UPFE was the only grant recipient in the UP. UPFE was a collaboration between the MFC, Michigan State University Extension (MSUE), and the Western Upper Peninsula Health Department (WUPHD). The grant funded local food aggregation sites (refrigeration) in the east, central, and west regions of the UP. The MFC served as the central aggregation site. Additionally, the funds paid for economic research into the impact of local agriculture in the UP and for multi-year educational local food summits held in each region of the UP. Some funds were also set aside for marketing materials.

An online marketplace was created with partner software development companies to organize aggregation and allow institutions to purchase from many producers in one place and receive one invoice. The Marketplace is maintained and operated by the MFC. In 2024, there were eight active purchasers and 17 active sellers on the Online Marketplace. Total sales through the marketplace were \$179,237.58 last year the majority of that (\$167,721.75) was purchased by the MFC.

Production Planning

Each winter, the MFC Produce Department buyers and our Marketplace Manager meet with local farms to review the past year's purchases. From this, the MFC plans with the farms for the next growing season as to what each farm may expect to have purchased from them. In this way, the farm can prepare and plant, knowing what the MFC wants from them. This makes for an efficient and productive relationship and removes many unknowns for both the farms and the MFC.

Farmers Market Demos

The Marquette Food Co-op has been a supporter of the Downtown Marquette Farmers Market for over 17 years, helping to source volunteer market managers in the early days and kicking in financial support the first year the Downtown Development Authority (DDA) hired a market manager. We are now one of the sponsors of the market and further contribute with educational programming. Using data from the market vendors, the Outreach team has identified some of the most impactful educational programming to offer, both in terms of engagement and in sales for the farmers. We host three programs a year: a ramp (wild leek) demo or garlic scape demo, the tomato tasting, and a winter squash tasting. These are incredibly popular, and people mention that they came down to the market because they saw the advertising for the events. Farmers have reported an increase in sales of unusual or very specific tomatoes or squashes during these events. As one farmer said, "When someone comes to my booth and says I'm looking to buy the Cosmonaut Volkov instead of a paste tomato, I know it's because they just sampled it."

UPFE Farm Grant Program

Under the Prescription for Health Program, which is outlined in more detail in *E2: Promoting Cooperative Growth Opportunities*, the MFC, along with other food systems partners were able to provide \$12,000 to three farms to supplement their purchase of a new high tunnel. The grants were set up to prioritize a grant recipient in each of the UP's three planning districts, so a farm from the Eastern, Central, and Western UP each received an award. This ensures that opportunities for the food system to grow are provided to communities across the entire UP.

The purpose of the grant was to support the growth of the local food system so that there would be more produce available at markets accepting Prescription for Health vouchers. The Prescription for Health program recognized that growth is difficult for small farms and farm debt is a huge problem nationally. To support the economic growth of the farms and increase the volume and seasonal availability of produce, farms needed infrastructure support.

This grant was unusual in that it prioritized purchasing the items for the farm upfront, rather than requiring farms to purchase the items and request reimbursement. This was important as many farms lack the capital to purchase these items – that's why they needed the grant in the first place. The farms were also provided with technical assistance from an experienced farmer and contractor who visited their farm and helped them assess the details of their project. They could call or email this technical assistance coordinator any time during the project for additional assistance. Farmers also discussed the design of their cooler with the UP Produce Safety Technician. If they had not already scheduled a visit,

they were required to meet with the technician and make any required changes to their farm operations before receiving their funds.

Northern Michigan University Center for Rural Health (NMUCRH)/Michigan Health Endowment Fund Upper Peninsula Food Hub and Logistics Feasibility Study

The MFC 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. Elise Bur, head of the NMUCRH, came first to MFC to develop the ideation for the grant proposal to Michigan Health Endowment Fund (MHEF) before approaching other partner organizations. Sarah Monte and Matt Gougeon made significant contributions to the grant proposal. The grant proposal was awarded \$177,000 for a feasibility study to “...determine the type of infrastructure in the UP that will increase sales and accessibility of locally produced raw farm products and value-added foods and decrease costs to do so through charitable distribution networks.”

While research continues to indicate that a processing facility is not possible to build and sustain with current supply, partners across the state have been investigating what could be done about distribution issues that are present for every facet of the food system. Funds remaining from the original study were used for educational travel and tours to distribution facilities and to contract with an additional consultant that specializes in distribution work.

This consultant, with the help of this team and their many other food systems partners, surveyed and interviewed institutional purchasers about the type and volume of products they would be interested in purchasing locally and/or regionally. Since the previous study demonstrated that both supply and distribution within the UP was not adequate for large scale purchasing, the goal was to increase access to products from Michigan producers. If enough purchasers indicated interest, a route could be built that allowed for collaborative distribution, where multiple distribution companies are working together to fulfill a route. Unfortunately, there was such low participation in the survey/request for interviews that a potential route could not be built. Information collected during the time of the project has been shared widely and is informing the work of state-wide food system efforts.

Supply Contracts

The MFC is a member of the National Cooperative Grocers (NCG). As part of the NCG, we participate in the benefit of shared Common Supply Contracts with two large distributors of organic and natural products, United Natural Foods International (UNFI) and KeHe. The details of the contracts are confidential, but the UNFI contract stipulates that at minimum, 15 percent of our store’s purchases must come through UNFI. The KeHe contract requires a simple \$2,000 minimum order per truck. Fulfilling these requirements is easy as approximately 60 percent of store purchases come from UNFI and a \$2,000 order from KeHe is a small order. Additionally, we purchase most of our produce through Co-op Partners (CPW) Warehouse of Minneapolis. CPW is a subsidiary of The Wedge Co-op. CPW contracts only with other cooperatives. The MFC is one of CPW’s largest single customers. We purchase only certified organic produce through CPW. Common Supply Contracts through NCG have saved the MFC close to \$500,000 in costs.

Policy: E2- Promoting Cooperative Growth Opportunities

Interpretation:

The MFC seeks to expand its reach and influence in our community and region through the effective application of the cooperative business model by serving members and customers and forging productive and impactful partnerships with others in our region. Proper execution of the cooperative business model in full is paramount to our growth. Cooperative growth opportunities and partnerships are strategically chosen with specific business and mission alignment in mind.

Data:

Each year, the MFC has multiple opportunities to work with other agencies, organizations, or businesses in our community and region. Some of the opportunities are continuing relationships. Others are new. In each instance, the role of the MFC and the anticipated result of our participation receives due attention and vetting per our policies. Use of the MFC resources such as capital and staff time are carefully weighed against the potential outcome and expected benefit to Co-op members and the larger community.

Farm to School Fundraisers

Schools and youth groups can raise money by selling UP grown and produced items. This supports the local economy, offers better quality products with meaning for fundraising, and allows schools to link the fundraiser to any farm to school or school garden efforts. Two schools held Farm to School Fundraisers in 2024, raising a collective \$1,515.28 for the schools. Participating local vendors earned an extra \$1,085.20 through the program.

Locally Integrated Food Teams in the Upper Peninsula (LIFT-UP)

In this program, led by the community educator at the Michigan State University UP Research & Extension Center in Chatham, students learn about local food systems and how local food can be integrated into schools. They also learn about the barriers to sourcing local food in their school and create proposals for projects that will support local food education, gardening, and/or sourcing. In 2024 Outreach Director Sarah Monte was part of the team that visited high school classrooms to educate students about barriers in the local food system. She also gave feedback on the student grant proposals that are meant to address the barriers to farm to school projects and purchasing in the classrooms and/or lunchrooms.

Prescription For Health

Under Prescription for Health, individuals over 18 who are at risk for or diagnosed with a chronic health condition and have a financial barrier to purchasing local food can receive a “prescription” for fresh fruits and vegetables. Qualified participants receive a referral from a participating healthcare

provider. All referrals are processed through the 2-1-1 call center at Upper Peninsula Commission for Area Progress (UPCAP) and, once the referral is received, potential participants are contacted by a trained call specialist to discuss the program and complete enrollment.

Participants enrolled into the program receive vouchers each month to purchase fruits and vegetables from participating local farmers markets. The primary goal of the program is to increase access to fresh, affordable local produce for participants and to support participant health as well as the local farm economy. Each voucher participants receive is worth \$1 and they receive a total of \$15 per week during the 20-week season. Once participants are enrolled in the program, they are mailed the vouchers monthly.

UPCAP is the regional leader and fiduciary for the grant that funded this project, which came from the Superior Health Foundation. The Marquette Food Co-op and our partners in UPFE worked on this project in a myriad of ways. The Co-op's graphic designer created and maintains the marketing materials and updates the vouchers each year. A digital marketing campaign and commercial was created and managed by the Co-op. The UPFE team reached out to area farmers markets and onboarded each new market individually, offering help in understanding how to set up a voucher system for those markets that had not accepted alternative payment systems before. In 2024, 18 farmers markets in 11 counties across the UP participated.

Recipe for Success

The Recipe for Success Program is the food sampling program mentioned in our Global Policy section above. This program was a partnership between the Co-op, Feeding America West Michigan (FAWM) and the NMU Center for Rural Health (NMUCRH) that began in 2022. FAWM was the lead agency and fiduciary for the grant, which was awarded by the Superior Health Foundation. While the MFC education team provided "boots on the ground" for the Marquette and KI Sawyer samples and recipes, we also helped replicate this program in other locations. The MFC, FAWM, and NMUCRH reached out to partners in various communities to see if they would run the sample and recipe distribution where they live. It was important to the team that people who lived in that community were given the opportunity to participate and make the connections with both the neighbors receiving food and those who work every month to make the distributions happen.

Additionally, the team hoped that by providing equipment and virtual meetings with suggestions on how to administer the samples those community members would be interested in providing education opportunities outside of the grant parameters, at the mobile food distributions or at other locations. The Marquette Food Co-op provided onboarding training for all the locations and worked with the sampling coordinator to order the necessary equipment. Funding was no longer available in 2024, but the MFC and other partners continued to participate, with FAWM covering the cost of the food distributed. In addition to the MFC continuing their work in KI Sawyer and Marquette, partners in Menominee, Norway, and Manistique also continued the program.

Anyone may access recipes from the program and see step by step videos online. The MFC and NMU both contributed to the videos, which are housed at <https://nmu.edu/ruralhealth/recipes>.

Round Up at the Register

Each year the Marquette Food Co-op hosts two Round Up at the Register campaigns. This is the United Way of Marquette County campaign that runs late November through December 31 and again in July to support our local food pantries.

Round Up at the Register is important as United Way supports many organizations that provide essential services to our community. In 2024, \$5,720 was raised by shoppers and our customer service staff.

The second round-up for the food pantries is every July, when the donations to food pantries are low but the need is high because children are not receiving breakfast and lunch at school. This round-up is for all food pantries in Marquette County. Furthermore, it is helpful because the pantry staff let us know which items are most needed. Instead of taking whatever is donated, they can choose how to spend their allotted funds from the round-up on the essentials they are currently lacking. The MFC then purchases the items directly, allowing the funds to stretch further because the items were at wholesale cost. In 2024, generous shoppers contributed \$5,170 to the July campaign.

Michigan Good Food Fund

Michigan Good Food Fund invests 50 million of total funding 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. The MGFF prioritizes funding and support for entrepreneurs who represent communities that have been marginalized due to race, ethnicity, and/or gender. The goal is to help them prepare for, and secure, investment that will help their businesses grow and thrive. Michigan Good Food Fund's work is guided by the shared vision of a Stakeholder Board—a diverse collective of people with deep roots in Michigan and a range of food industry careers. Matt Gougeon is a member of this 20-member stakeholder board until the end of 2025, the only representative of the UP, and the only representative of cooperatives.

Private Cooking Class Sponsorships

The MFC offers private cooking classes to groups looking to celebrate a birthday or wedding, a company holiday party, or just groups of friends looking for something fun to do. In addition to these bookings, the MFC aims to provide cooking classes for children and for populations usually unable to participate due to economic barriers. As a business, the MFC is not often eligible for many grants that would fund this work as the direct fiduciary. To this end, we have cultivated partnerships with organizations who can seek those grants and allow more participation in our classes. Some organizations we work with offer cooking classes with the MFC not through grants but simply by budgeting for them. Partnerships in 2023 that were able to offer the classes free to the participants included:

- Michigan Youth Opportunities Initiative (MYOI): MYOI's goal is to ensure that young people in foster care have successful outcomes in housing, education, employment, community engagement and health. A series was held at the Co-op to demo simple and tasty food the youth

could make on their own.

- Big Brothers Big Sisters (BBBS): Their mission is to create and support one-to-one mentoring relationships that ignite the power and promise of youth. Adult volunteers are matched with children from age five to young adulthood. Bigs and Littles meet monthly for cooking classes at the Co-op.
- Peter White Tween Class: Middle school age children are welcome to sign up for these classes through the library and then cook together at MFC.
- MARESA Transitions Rooms: This program helps students with disabilities transition from school to a life outside of school. Activities are designed to help students gain skills that will help them move with independence at a level accordant with their needs. Some students will learn cooking skills from the program that they can utilize themselves while others will be introduced to new flavors and learn to try and enjoy new and/or healthy foods.
- McNair Scholars: This is a federal program designed to prepare undergraduate students for doctoral studies through involvement in research and other scholarly activities. McNair participants are either first-generation college students with financial need, or members of a group that is traditionally underrepresented in graduate education and have demonstrated strong academic potential. The goal of the McNair Scholars Program is to increase graduate degree awards for students from underrepresented segments of society. Students receive support at NMU in this program that includes food preparation to support a healthy lifestyle.
- UPCAP Food as Medicine Cooking Classes
Participants in the Food as Medicine voucher program outlined above were invited to participate in free MFC cooking classes that focused on fresh produce such as they could purchase with their vouchers at area farmers markets.
- Department of Health & Human Services WIC program
WIC recipients and their families were invited to attend a cooking class with budget friendly, healthy recipes.

Growth of Membership and Revenue

As important as careful review of external opportunities for expansion and tending beneficial relationships, the continued growth in cooperative membership, customers, and store revenue portends coming physical operational expansion. As reported earlier in this document, 294 new member households joined the MFC in the last year. Increased members resulted in increased customer count and revenue. Revenue growth in 2024 was 3 percent, buoyed by 6.5 percent growth over the last four months of the year. Revenue, customer count, and numbers of items purchased were all single year records. While we already feel the growing pains of potentially reaching the capacity of the store, eventually we will be forced to act to alleviate pressure and continue to serve at a high level of efficiency

and value. This means planning for and dealing with increasing space constraints through remodel, reorganization, use of technology, and potentially an additional physical storefront.

Policy: E3- Supporting an Equitable Shopping Experience

Interpretation:

Barriers are removed from the MFC for any individual seeking quality food and high value. Most Food and products purchased for resale by the MFC emphasize systems and companies that ensure, promote, and highlight organic, fair trade, and humane practices. There are multiple price points for products in any category for individual budget needs. The MFC has systems in place for independent vendors to sell to the co-op. The MFC provides promotions, pricing, labeling, selection, and varietal payment methods to ensure that everyone may get what they need from the store.

Data:

Hours of Operation and Method of Payment

The store is open 13 hours per day, 360 days per year. We transact in cash, check, credit, debit, and EBT. We also allow owners to front load their member accounts with cash to use for future purchases.

Percentage of Organic Food on the Shelf

Members and customers seeking organic food are assured that most of the products on the shelf are organic or have at least some organic ingredients in it. In 2024, approximately 59percent of store sales were for such food and products across all categories of food and products. These figures are drawn from multiple databases (SPINS, ChefTec, and Catapult) and may not represent 100percent of food and product on the shelf. The MFC carries only certified organic produce or verified local produce grown without chemicals or herbicides.

Local Vendors

There are 52 local vendors selling \$591,537. dollars of product to MFC. All these vendors use MFC built infrastructure to sell to the store. From application and vetting to ordering and invoicing, our local vendors receive MFC assistance from the receiving bay to check out.

Decolonizing Scavenger Hunt/Native Signs on Food

In 2019 the MFC partnered with NMU's Center for Native American Studies 102 Anishinaabe Language, Culture, and Community class to create the Anishinaabe Language Scavenger Hunt. Foods that were present in the Americas prior to European colonization are marked with signage that features their name in Anishinaabe and QR code that brings users to a site where they can hear how the word is pronounced. People fill in a grid of the food images with their Anishinaabe name to win a Co-op gift card and a copy of the Decolonizing Diet Cookbook. In 2003, the store decided to keep these signs up year-

round, and not just during the scavenger hunt. In lieu of the scavenger hunt, in 2024, all the signs around the store were updated and an Indigenous food store demo with samples for the public was hosted.

SNAP

Supplemental Nutritional Assistance Program (SNAP) is a federally funded food assistance program helping lower income individuals and families purchase food. The MFC accepts SNAP benefits from customers. In 2024, 3% of all customer purchases are supported through SNAP.

Double Up Food Bucks

We offer Double Up Food Bucks (DUFB), a voucher system, funded through grants, donations, and federal funding to provide EBT users with twice the value on fresh produce purchases. DUFB is a year-round offering limited only by availability of awarded funding from the NPO Fair Food Network. The history of total voucher value and redemption follows:

	Voucher Value Distributed	Vouchers Redeemed
2016	\$1,496.00	\$1,334.00 (89%)
2017	\$5,229.00	\$3,903.00 (75%)
2018	\$12,936.00	\$10,997.00 (85%)
2019	\$12,830.00	\$9,741.00 (76%)
2020	\$42,629.00	\$31,695.00 (74%)*
2021	\$57,591.00	\$43,181.00 (75%)*
2022	\$26,739.00*	\$35,472.00 (132%)*
2023	\$22,474.00	\$19,168.00 (85%)
2024	\$21,571.00	\$16,856.00 (78%)

*DUFB program had expanded funding during the pandemic but then was suspended between August of 2022 and January of 2023 because funding was used up from pandemic need.

Promotions

Every Day Low Price

Every Day Low Price (EDLP) is a permanent promotion in the store largely identified by the Field Day brand. It is a high-quality organic option at a reduced price point from similar name brand products. This is a UNFI produced line of product that NCG has negotiated low pricing on and is a specific program to NCG cooperatives. The Field Day label is prevalent in the store.

Co-op Deals

Bi-weekly sales program that offers deals on national and regional products, primarily in grocery and wellness. This program is made possible through National Co-op Grocers, a cooperative for food co-

ops.

Fresh Deals

Fresh Deals is an MFC administered program that gives customers discounts on items from the fresh departments, such as produce, meat, and prepared foods. Fresh Deals change every week and include items for holidays and events such as the Super Bowl, Valentine's Day, St. Patrick's Day, Easter, Memorial Day, 4th of July, Labor Day, Thanksgiving, and Christmas. It should be noted that many of these discounts, outside of some produce items, are offered directly from the MFC and not from suppliers.

Annual Turkey Giveaway

The Saturday before Thanksgiving shoppers who spend \$150 or more receive a free 10-12lb turkey. 112 turkeys were given away in 2024.

Wellness Weekend

A popular sale offered twice a year, in January and September offers 25 percent off all vitamins, supplements, and body care items.

Cheese Madness

A highly participated in and fun promotion based on college basketball's March Madness. It features a bracket where customers predict which cheese will win as best tasting through voting at sampling events. Each cheese going head-to-head in that week's bracket is also on sale.

Bulk Sale

Bulk items are tied to the history of our co-op and twice a year (April and October) we celebrate this part of the store by offering 25 percent off the 15 most popular items in the bulk department.

Owner Coupons

Electronic coupons are offered to owners only. Some months they were for a suite of products and other times a percentage off a shopping trip.

Owner Rewards

Owner Rewards is a program unique to members of the MFC. It is a rebate loyalty program that members automatically earn each time they shop and purchase from the store. One percent of all purchases get credited to a member's owner account to be used for more store purchases upon another visit. In 2024, Owner Rewards brought \$98,054 of value to MFC members.

Physical Barrier Free Store

The store is free of physical barriers for customers and was built specifically with Universal Design. There is also an electric shopping cart to assist people with mobility issues to navigate the store. Often, staff members will regularly shop with members and customers who are visually impaired or who have mobility constraints or who are simply elderly and need a little help.

Policy: E4- Focusing on Sustainable Environmental Outcomes

Interpretation:

The MFC is conscious of its environmental impact. We develop and improve systems and activities to lessen our negative environmental impact.

Note: Data points within this policy have been reported on for multiple years without much addition. It is recognized that while reporting compliance with this policy is accurate, it requires additional or further action on behalf of management to fully realize the intent of the policy. Improvement to systems like refrigeration, electrical, water usage, and waste are all areas where focus may be improved.

Data:

Compost Food Waste

All food waste from our Produce department and kitchen is placed in bins behind the store to be retrieved by farmers and gardeners for use in their home or farm compost efforts. This diverts thousands of pounds of food waste from the waste stream and turns it into compost. Further, the MFC has contracted with Partridge Creek Farm's compost pick up program. This means that food waste other than just vegetables get composted. This includes paper towels, soiled cardboard, industrial compostable food packaging, meat dairy, and cooked foods. A rough estimate based on a typical bin weight and numbers of bins picked up demonstrates a conservative additional 13,000 lbs of waste being composted.

Grey Water Systems

The store continues to have two different functioning grey water systems. Roof top water is drained and stored in an underground 4,000 gallon concrete tank. It is then pumped out and used to irrigate green space on the store property. Additionally, all refrigerated cases and cooler condensation drains into a common tank in the basement and is pumped out and used to supplement the flushing of all four toilets.

LED and Timer Lights

All store lighting is LED and is mostly on a timer system or motion detector system. This means that light usage is optimized and not overused thereby using far less energy. The recent conversion of remaining fluorescent lights to LED reduces energy consumption for lighting by one third contributing a 12 percent reduction of our utility costs from 2023.

Recycled Heat from Refrigeration

Heat generated from the five refrigeration compressors in the mechanical mezzanine is captured and used to heat all the water for use throughout the store.

Parking Lot and Swale

The green space in the middle of the parking lot is designed to absorb parking lot run off to divert it from the city wastewater system. In 2024 we contracted with landscaper Plant Theory, LLC to completely redo our green spaces that were being choked by invasive species. All green spaces have now been replaced with native plants and grass again. We have contracted with Plant Theory LLC for continued maintenance. The swale in the middle functions far better, absorbing more storm runoff than in previous years from being choked out.

Wax Box Recycling Program

The MFC has been running a wax box reuse program available to any interested farmer for many years. Clean wax boxes in good condition received by the MFC are stored in a shed outside the store. The Co-op orders produce liner bags in bulk, securing a low price due to the volume ordered. Farmers can then purchase the boxes at cost in the amount they need and have the capacity to store them on their farm. These liners are used in all wax box deliveries from the farms. Any farm that can demonstrate they are purchasing liners on their own or are participating in the MFC box liner program may freely take the wax boxes from the shed. This helps the farm save money, reduces the agricultural waste stream, and ensures food is delivered safely by having a clean box liner for every purchase.

In Summation

The totality of the content of this report demonstrates the effectiveness of the cooperative business model applied to a grocery store. When stated community values are applied from the outset to store operations the results are impressive and impactful. All stakeholders in this cooperative are the beneficiaries of actions taken in the guidance of the cooperative principles and within the constraints of values based policies. We have much to be proud of.