



A N N U A L

REPORT



HIGH



FALLS



FOOD



CO-OP



R E P O R T

THE ENDS

**HIGH FALLS FOOD CO-OP
WILL CENTER,
PARTICIPATE IN,
AND UPLIFT LOCAL
MOVEMENTS FOR
FOOD SOVEREIGNTY
AND JUSTICE.**

To this end, the Co-op will be:

A source of local,
conscientiously-sourced,
affordable, nourishing food

A community of engaged and
educated member-owners
who embody the
Cooperative Principles

An equitable, safe and
sustainable work
environment for employees

Accessible and welcoming
to those who interact
with the Co-op

A contributor to a
thriving local economy

In active conversation
with the community about
the Co-op's role in serving
community needs

FROM THE BOARD CO-PRESIDENTS

GREETINGS FELLOW CO-OP MEMBERS!

The last few years have been challenging for all of us. The communities we live and work in have profoundly been impacted and changed; and our beloved High Falls Food Co-op has been no exception. We have done our best to handle the pandemic with grace, under new management and Board leadership. Curve balls were thrown our way all along, and learning to pivot and go with the flow has become second nature. Our staff has done an extraordinary job handling all these changes under the steadfast leadership of General Manager Lucy Georgeff.

During this period of huge external changes, the Board has accomplished significant internal structural changes. We now have Policy Governance in place, and a multi-year Board Calendar that gives us a framework for the work we do, and holds us, and the management, accountable. We streamlined our committees to make them more effective. A Food Justice Committee was created in August to acknowledge the critical role the Co-op could play in the areas of food-access and food-sovereignty in our community.

As we emerge from this phase, hopefully into a more predictable way of life, we are looking at exciting changes to ensure the long term growth and

success of the co-op. To that end, we have our new "Ends" (no pun intended), which are now a guiding set of values for the work we do.

We are also working on transitioning to a Patronage Dividend system to

ensure the future financial well-being of the Co-op. Lucy Georgeff and members of the Board, are embarking on a six-month project of dialogue and member-education to present the details of these changes to our community.

**ROSE ANDERSON CO-PRESIDENT
ADITI GOSWAMI CO-PRESIDENT**

SOME COMMON MYTHS ABOUT FOOD CO-OPS

MYTH 1 I have to be a member to shop at the food co-op.

FACT Everyone is welcome to shop at nearly all co-ops. Just do your shopping like you would anywhere else. Once you've discovered the benefits of co-op shopping, you might want to find out more about the benefits of membership, too.

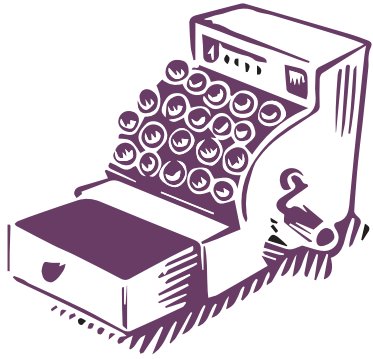
MYTH 2 I have to be a hippie/liberal/vegetarian/etc., to shop at the co-op.

FACT Same answer: everyone's welcome. Liberal or conservative, hippie or yuppie, veggie lover or bacon lover—anyone can shop co-op (that means you!).

MYTH 3 Being a co-op member means I have to join the board (or work part-time at the co-op, or do something else I'm not really sure I want to do).

FACT All you really have to do is enjoy shopping at the co-op! Sure, you can run for the board or participate in co-op events if you like, but your level of participation is always entirely up to you.

In 2021, at the High Falls Food Co-op...



...the Front End
Team took care of
69,227
customer
transactions!



...45 staff members
were employed
(15 FT and 30 PT),
and received a total
of **\$560,050** in
income and benefits!



...**107** local farms, businesses, and artisans did
business with the Co-op.

...**\$7,097** was raised for local
organizations by Rounding Up



IN 2021 THE CO-OP SOLD



19,568 lbs of Equal
Exchange bananas



16,584 Equal
Exchange avocados



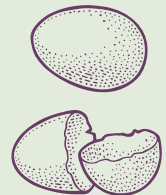
10,512 organic
lemons



3,024 lbs of
organic cucumbers



1,371 lbs of Fair Trade
coffee



3,669 eggs (Feather
Ridge & local)

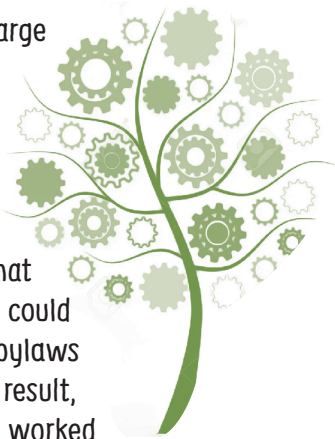
GOVERNANCE COMMITTEE

DONNA PERRY, CHAIR

Since the semi-annual in October 2021, the Governance Committee drafted a charter to define its role and responsibilities. The Governance Charter, approved by the Board in December 2021, states that this standing committee is charged with:

- Ensuring that the Board operates in compliance with the Policy Register (the set of agreed-upon policies adopted by the Board in March 2021 and governing Executive Limitations, Board Process and the Board-Management Relationship).
- Ensuring that the Board operates in compliance with the Co-op’s bylaws (revised and approved by the membership in November 2021).
- Reviewing current policies and bylaws and drafting revisions.
- Organizing and facilitating Board perpetuation and recommending Board candidates.
- Preparing committee meeting notes and reports as needed.

The Board perpetuation charge was added when members of the committee realized that we needed a more organized procedure for recruiting member-owners to join the Board. We felt that the Governance Committee could take this on, now that the bylaws revision was finished. As a result, the Governance Committee worked on and set up two Google docs for the Board: A Board Skills and Assessment Survey, designed to



help us see where our present skills and strengths are and where we might be lacking, and a Board Recruitment Pool, where Board members can list member-owners who have indicated interest in being more active in the co-op or who we think might be potential candidates. The Recruitment Pool allowed us to coordinate our outreach efforts; to date, over twenty member-owners have been personally contacted by Board members, and we add to the pool regularly. At the same time, with the help of Lucy Georgeff, General Manager, we are encouraging member-owners to join the board through in-store and online postings and outreach. Our goal: to inform member-owners about the Board and encourage them to consider joining.

FOOD JUSTICE COMMITTEE

ROSE ANDERSON, CO-CHAIR

The Food Justice Committee (FJC) was created in August 2021, and in its charter of roles and responsibilities adopted in February 2022, states that this ad-hoc committee is charged with:

- Providing regular Board education on food justice issues.
- As Board policies are created and/or revised, reviewing and proposing revisions that support food justice.
- As Board policies are created and/or revised, address possible barriers to joining or participating in the Co-op.
- Proposing changes to Board recruitment that incorporate a food justice perspective.
- Preparing Committee meeting notes and reports as needed.



As the newest committee, the FJC has been focused on identifying its priority work areas and solidifying the committee’s charter. Since one of the tasks of the committee is to ensure that a food justice perspective is incorporated in all of the Board’s work, one recent focus of the committee was

Food sovereignty is “the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations.”

viacampesina.org



▲ Board members Jerrie Gullick and Donna Perry, greet members at 2021 Member Appreciation Day.

Dinah Owen on pumpkin painting day. ▼



how to ensure that language around food access is incorporated into the Ends of HFFC. (Ends are essentially a co-op’s mission statement, and the beneficial outcomes we wish to see as a result of the Co-op existing in our community.) As a committee we discussed the type of language we wanted to see reflected in the Ends, and also discussed incorporating a wider lens called food sovereignty into the Ends as well. In the months ahead, we look forward to identifying how our work as a board can be in support of these frameworks, and create spaces for education and exchange on these topics as well.

MEMBER ENGAGEMENT COMMITTEE
ROSE ANDERSON. CHAIR EMERITUS

Since the October meeting, the Member Engagement Committee has also been focused on crafting a charter, which was adopted in February 2022.

This committee is charged with:

- Supporting the Board in conducting the annual membership meeting, such as by communicating with members and preparing materials.
- Planning and conducting other educational and social events to engage the membership and/or outreach to the community.
- Designing, creating and analyzing membership surveys, as needed, and reporting the results to the Board.
- Creating a member engagement calendar to keep events on track.
- Working to recruit new members to the co-op by coordinating with management and the Board.

In recent months, the Member Engagement Committee focused on engaging less-frequent shoppers

with a “Shop Your Co-op” coupon campaign in January/February, and setting up a yearly member engagement calendar that includes regular events and member surveys. Most recently, this committee has been focused on plans for the annual April meeting. In the coming months, the Member Engagement Committee will work in support of our transition to the patronage dividend and member equity model, including creating informational sessions for members about the transition and addressing questions that members might have as we move ahead.

We’d like to remind you that committee participation is open to all members and you are all welcome to attend any of our committee meetings. We’d really welcome having you there!

**HIGH FALLS FOOD CO-OP
 COMMITTEE MEETING
 SCHEDULE**

MEMBER ENGAGEMENT
 EVERY 2ND MONDAY AT 5PM

— — —

FOOD JUSTICE
 EVERY SECOND WEDNESDAY AT 5PM

— — —

GOVERNANCE
 EVERY 3RD MONDAY AT 5PM

— — —

ALL MEETINGS CURRENTLY MEET OVER ZOOM

2021

WHAT A YEAR!

We started off the year not only in the depths of winter, but in the depths of Covid. First quarter 2021 saw the worst impact of the pandemic on the store thus far. We experienced a few positive Covid cases on staff, enforced capacity restrictions, mask-wearing, and our other policies—and by the end of the quarter experienced a loss in both employees and sales. Sales dropped 20% in quarter 1. From that point on, and as spring opened some doors and eased the burden of Covid a little, we focused on rebuilding the entire store, starting with our team—the lifeblood of this store—and encompassing our policies and operating systems, infrastructure, and our service. Here are just a few of the developments in 2021:

STAFF

Increased paid time off, performed a compensation review and set pay levels based on regional data, established a new annual evaluation procedure, held our first-ever staff satisfaction survey, revamped the employee handbook, and increased training opportunities, including accountability training for supervisors, and a Diversity, Equity, and Inclusion training for the entire staff.

POLICIES

Implemented a workplace conflict policy as well as a whistleblower policy.

FACILITIES AND OPERATIONS

We replaced our failing septic system, purchased new shelving, added a beer cooler, refined our inventory management system, and focused on keeping the store in the best condition possible: full, clean, and welcoming.

NATIONAL CO+OP GROCERS

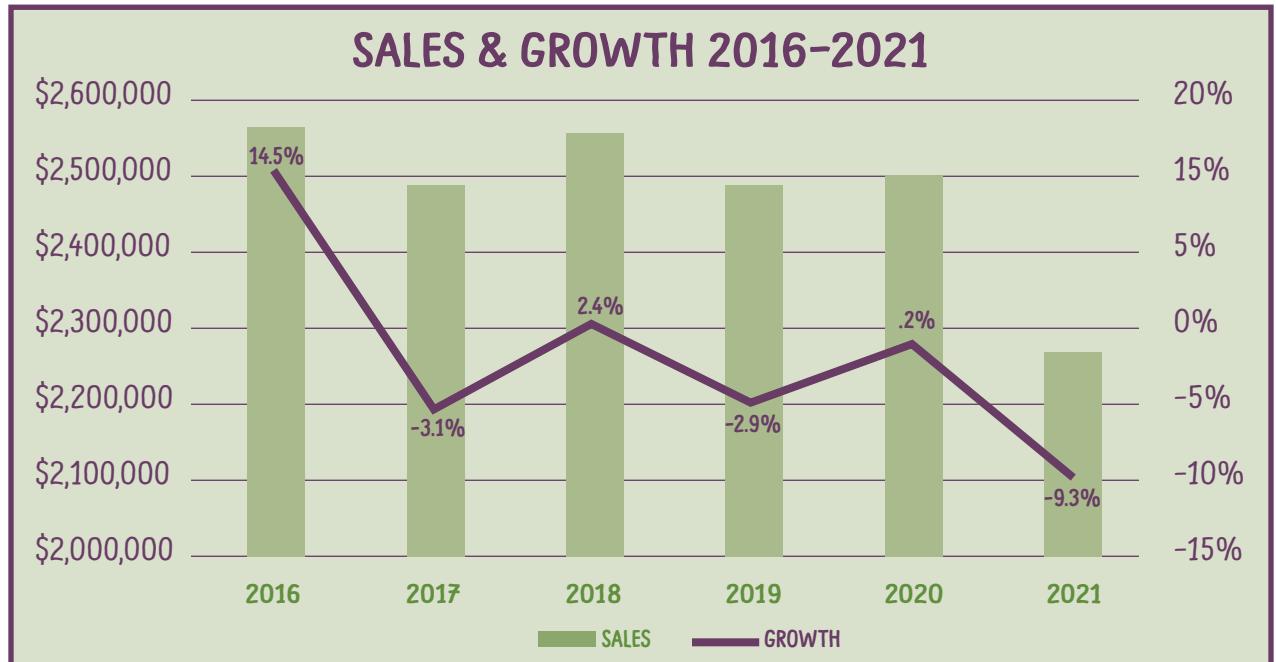
One of the most exciting accomplishments of 2021 was our acceptance into NATIONAL CO+OP GROCERS, which is comprised of 149 food co-ops nationally. NCG exists for the success of cooperatives and is a co-op itself. As member-owners of NCG, we access better prices with collective purchasing power—one of the same goals held by our co-op's founders. We have already started passing the savings on to you, and hope this helps your wallet.

Despite the many positives, we struggled to achieve growth in sales, ending 2021 with a 9% decline in sales over 2020. We saw a net loss of over 6% from our operations—though we were able to maintain a decent cash balance thanks to the remainder of the Paycheck Protection Program grant (PPP) from 2020.

Looking forward to 2022: we received an Economic Injury Disaster Loan from the SBA, which will allow us to tackle some much-needed capital improvements. We are implementing some new coupon and sales programs—stay tuned! We have dropped



prices even further with our new **Co+op Basics** deals. We are continuing to look at ways we can reduce our impact on the environment, in our building and with our packaging—all



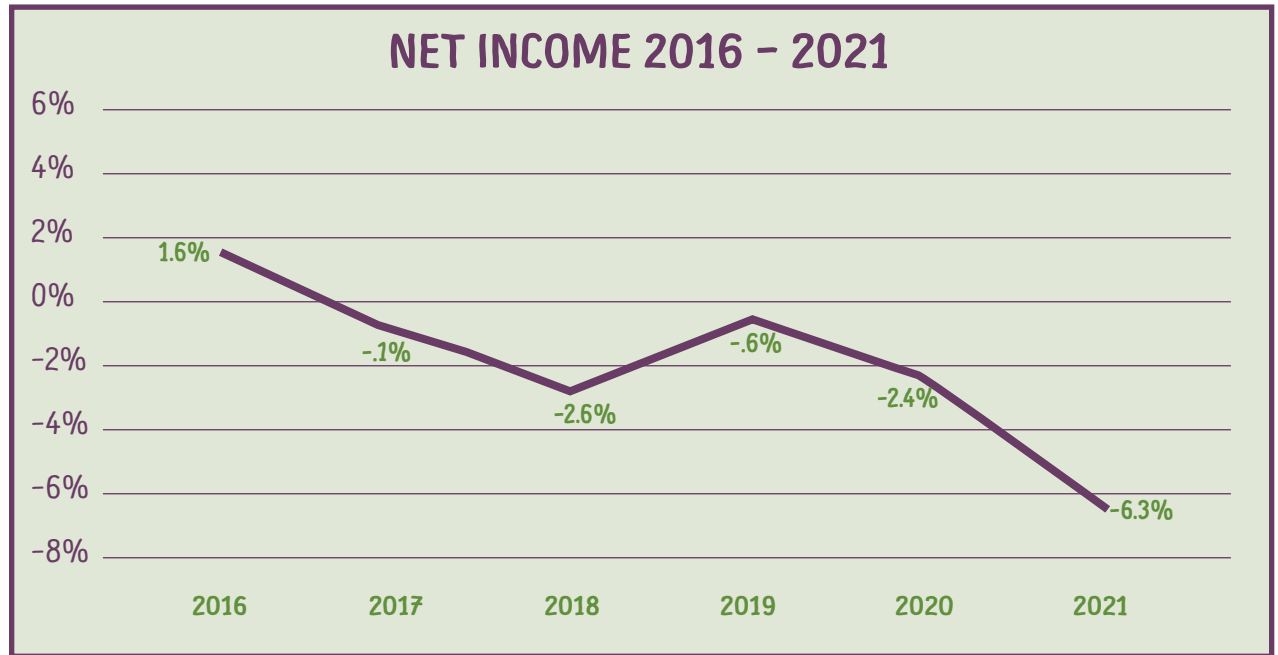
the while increasing our impact on the community. Lastly, we're so excited to begin to build capital with member equity, and to reinvest our profits back into our community with patronage dividends.

Huge thanks to our staff, without whom this work would not go on. They have navigated it all: illness, disgruntled customers, warehouse out-of-stocks, equipment failure, unprecedented cost increases for product. So much uncertainty—as you know—and still so much joy to be found in the workplace. Thank you to our vendors, who continue to provide us with high-quality products. Thank you to the board of directors for their vision and direction, and for being great collaborators. Thank you to YOU, our member-owners, for your kind notes of encouragement, and for giving us your feedback. We have tried to listen to all of it, and recently put in place a new system for customer comments. Replies will be posted on the community board inside the front entrance, and if you leave your number or email, we will reply directly to you, as well.

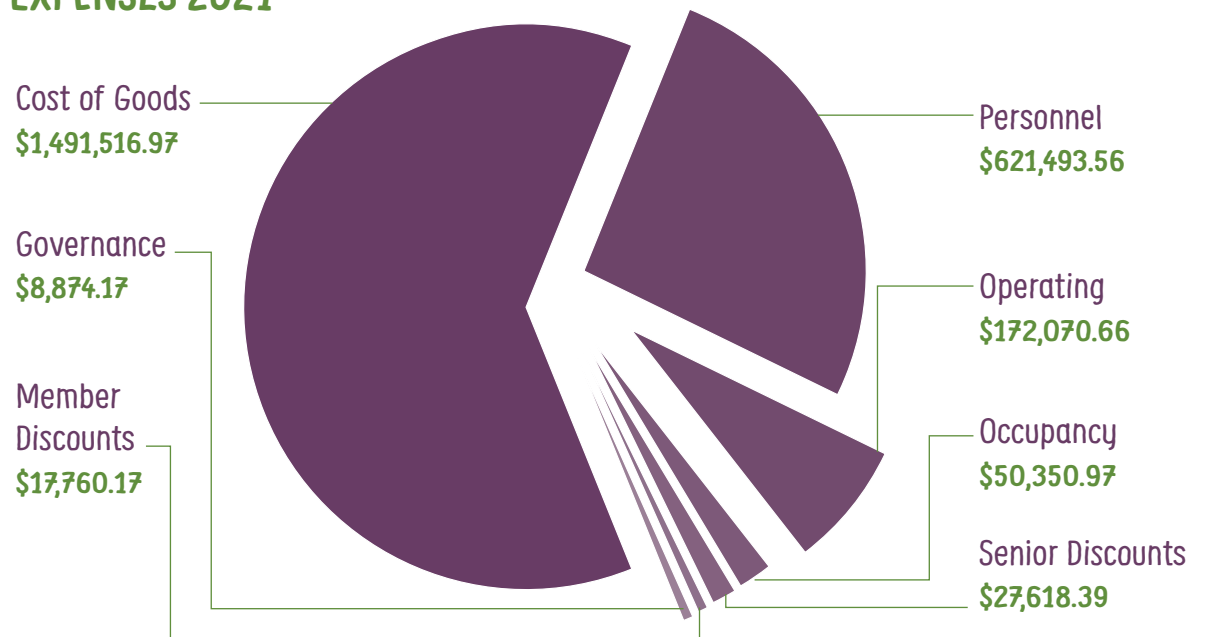
In 2021, we heard from many member-owners. Many of you have commented that it seems like the store is doing well. And it's true: we are doing well, in so many ways. Also true: sales have been declining since 2016. We need our member-owners more than ever now. What's the best way you can help? Shop Co-op! Let your friends know that they, too, can own this grocery store. As always, let us know what you need, and we look forward to seeing you in the store.

IN CO-OPERATION.

LUCY GEORGEFF, GENERAL MANAGER



EXPENSES 2021



WARMEST THANKS TO THE MEMBERS OF THE 2021 CO-OP BOARD

Rose Anderson
Ben Basile
Reilly Bastianelli
Zack Brown

Aditi Goswami
Jerrie Gullick
Cari Heberger
Kerry Malak
Emmet Moeller

Sarah Nason
Donna Perry
Ginny Redgate
Gina Voskov

THE SEVEN COOPERATIVE PRINCIPLES

Voluntary and Open Membership—Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

Democratic Member Control—Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

Members' Economic Participation—Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and Independence—Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, Training, and Information—Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

Cooperation Among Cooperatives—Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

Concern for Community—While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



www.HighFallsFoodCoop.com