

2016 Annual Report

**Medford
Food op**

cooperatively nurturing a healthy community

General Manager's Report

The Medford Food Co-op exists to sustain a vibrant, healthy, and thriving community. We aim to be a sustainable and growing business that provides economic, environmental, and social benefits for the Rogue Valley. Our community understands, embraces, and supports the health and economic benefits of choosing local organic food; providing all residents access to healthy food; and the cooperative business model. We support a thriving local, organic food economy.

As a co-op owner and shopper, you are directly contributing to the economic growth, sustainability, and prosperity of the Rogue Valley. This report shares some of the ways that the co-op thrived and made an impact on the community in 2016.



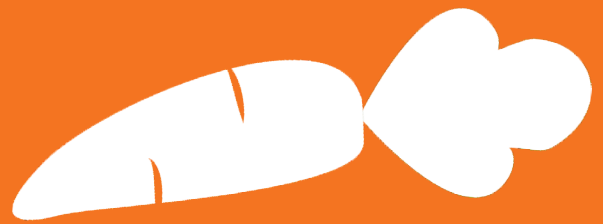
Your co-op grew by 299 new owners in 2016, including 77 new owners during the April owner drive and 51 during the October owner drive! Owner drives help us create excitement about co-op ownership and provide an opportunity to educate shoppers about the cooperative difference. Currently, we have 3,256 owner households in the community. Thanks to owners and other customers shopping more at the co-op, we achieved a 7% increase in sales over the previous year.

Our growth benefits our owners. In 2016, owner coupons totaled \$66,029 in discounts. And we started cultivating additional benefits for owners via our Community Partnership Program. In the spirit of cooperation and with the goal of boosting our local economy, we are forming partnerships with like-minded businesses. In exchange for offering our owners a discount or benefit, we provide the business with promotion and support. Our current business partners are Rosa Transformational Health, Siskiyou Vital Medicine, and Lara's Kitchen Stories. We hope the program will continue to grow in 2017.

Your board of seven volunteer owners meets monthly to ensure that our co-op produces benefit and value for all our owners. Last year, the board focused on completing plans for the café and getting construction started. Now that the project is underway, the board will turn its attention to future growth and expansion. Owners serving on the board is what ensures democratic owner control of the co-op. Please consider serving a term on the board or a committee.



providing
*economic, environmental,
and social benefits*



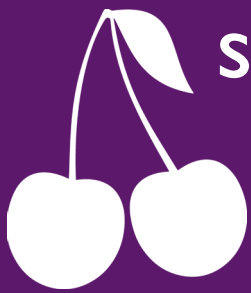
FOR THE ROGUE VALLEY

Our growth benefits our local food system: in particular the 44 local farmers and 63 local food producers that we purchased products from in 2016. “Local” means different things to different people and at different businesses. When we say “local” we mean goods grown or manufactured within 100 miles of Medford. The number of products we purchased from local farmers and producers increased by 12.6% in 2016.

To help define our overall footprint, we started a program to measure and improve our environmental impact on the community. We are actively working to reduce the amount of waste that we contribute to the landfill. Last year alone, we eliminated 2,210 pounds of paper through reduction measures; recycled 15,000 lbs of debris; composted 17,500 lbs of food waste; and donated 29,750 lbs of wholesome, nutritious food. We received a “Sustainability Star” award from National Co+op Grocers (NCG) recognizing our efforts to divert food waste through donations to the Medford Gospel Mission’s The Main Ingredient Community Restaurant, who provides nutritious dinners seven days a week at no charge.

In addition to weekly food donations to the Medford Gospel Mission, we contributed \$3,700 in financial and in-kind donations to non-profit organizations including local groups like the Family Nurturing Center, Redemption Ridge, CASA of Jackson County, ACCESS, and the Rogue Valley Pollinator Project.

We also participate in Pacific Power’s Blue Sky program, which supports green electricity sources like wind power in the western region. In 2016, we supported 8,400 kilowatt-hours. That reduced our CO₂ footprint by 7,466 pounds, which is comparable to 8,057 miles not driven or 88 trees planted.



sustaining a

vibrant, healthy, and thriving

COMMUNITY

Limited space and a small staff makes it difficult to host educational and outreach events at the co-op, so we partner with other organizations to maximize our exposure and interaction with the community.

The co-op is a member of the Rogue Valley Food System Network (RVFSN), a group of individuals and organizations who have joined together to strengthen our local food system through collaboration. In conjunction with RVFSN partners like Rogue Valley Farm to School and Thrive (The Rogue Initiative for a Vital Economy), we helped create an interactive food system exhibit at the 2016 Jackson County Fair. We also participate in work groups throughout the year that are working to strengthen our local food supply and production, develop market opportunities, and improve access to healthy food.



Twice each year, your co-op partners with local organizations and businesses like the Rogue Valley Council of Governments and the Gordon Elwood Foundation to coordinate a spring and a fall clean up along the Bear Creek Greenway. Combined, the 2016 clean up events organized over 150 volunteers to remove almost 2 tons of trash from the creekside between McAndrews and Barnett in Medford.

In September, Thrive hosted the 2nd Annual Salsa Festival & Showdown on The Commons in downtown Medford. The Salsa Festival & Showdown is a celebration of Latino culture, healthy living, and local food. The co-op sponsored and organized the Salsa Showdown in which six contestants put their salsa recipes to the test using fresh, locally grown ingredients.



With tremendous gratitude for our community, we celebrated the co-op's five year anniversary at the store on October 8th with music from Blades of Grass duo, games, food and beverage samples, and of course, cake. Your co-op is thankful for everyone coming together under the banner of cooperation and making this co-op a reality and a success.

understanding the

health and economic benefits

LOCAL, ORGANIC FOOD



As stated in our bylaws, we strive to promote awareness about food, nutrition, health, and cooperative values. In an effort to reach as many people as possible, we take a multifaceted approach to education and awareness.

Here at the co-op, we offer store tours to small groups that are interested in learning about health food and cooperatives. In July, we hosted a group of students in a leadership training program from the Medford Parks and Recreation department and in November, we were visited by a group of children from a local Head Start class.

Your co-op also offers nutrition education in local schools. In April, we visited Kyle Carson's 4th grade class at Orchard Hill Elementary for a lesson on tasty, healthy snacks that kids can easily make at home by themselves. If you are a teacher or know a teacher interested in hosting co-op staff for a nutrition

education demo in the classroom, please call the co-op to arrange a date and time.

We also happily support the far-reaching efforts of Rogue Valley Farm to School through our collaboration in the RVFSN and through sales of apples in the store to benefit the program. In 2016, we donated 70% of the proceeds from the Farm to School apples for a total of \$523.

On the third Thursday from May to October, your co-op hosted an ACCESS Cooking Skills volunteer educator. Using fresh, healthy Rogue Valley grown produce, these educators teach basic cooking skills and inspire with seasonal recipes that highlight our local food system.



supporting a *thriving local, organic* FOOD ECONOMY



Moving ahead, your co-op will continue to work towards our ends to sustain a vibrant, healthy, and thriving community.

In the early fall of 2017, the co-op's much-anticipated café will open. The Café will offer fresh, delicious, wholesome meals from house-made hot soups to custom sandwiches and creative salads. Find healthy, organic options for busy schedules at The Café in 2017.

Thank you for your continued support of the co-op. Spread the word to family and friends and join us in our efforts to make Medford a great place to live, work, and raise a family!

Anne Carter

Anne Carter
General Manager



Financial Statements

Year Ended December 31, 2016

Balance Sheet

	Dec 31, 2016	Dec 31, 2015
Assets		
Current Assets	\$961,342	\$675, 873
Property & Equipment	253,484	217,619
Other Assets	20,035	15,444
Total Assets	\$1,234,861	\$908,936
Liabilities & Equity		
Current Liabilities	\$231,107	\$181,647
Long Term Debt	341,816	\$367,075
Total Liabilities	\$572,923	\$548,722
Equity		
Owner Subscriptions	\$416,856	\$389,806
Loan Payment Reserve	142,688	\$28,688
Retained Earnings	-173,126	-\$218,326
Net Income	275,520	\$160,046
Total Equity	\$661,938	\$360,214
Total Liabilities & Equity	\$1,234,861	\$908,936

Profit and Loss Statements

	Jan-Dec 2016	Jan-Dec 2015
Sales	\$4,514,526	\$4,212,379
Cost of Goods	2,991,890	\$2,844,010
Gross Margin	\$1,522,636	\$1,368,369
Operating Expenses	\$1,251,644	\$1,192,043
Net Operating Income	\$270,992	\$176,326
Other Income/Expenses	\$4,529	-\$16,280
Net Income	\$275,521	\$160,046