



# **Astoria Co+op Annual Report**



New store rendering at 23rd & Marine Dr. in Astoria.

## Poised for Change

By Matt Stanley/General Manager

I recently had a conversation with one of our co-op owners about the path our business is on toward becoming larger and more visible. She referenced the convenience of walking down to the co-op for daily groceries. At the same time, she made an observation: that some people may not realize the volume of business we do in our current location.

I think many co-op followers make this underlying acknowledgment that our store is on the cusp of a necessary and exciting expansion of our facility and product offering. At the same time, we reflect on the things we'll miss about our current location and operation – the downtown location, perhaps the intimacy that only 2,000 square feet of retail space allows, and the comfort we all find in spaces that are familiar.

As we navigate the path to our expanded facility, more and more community members learn of our plans and have ideas to share about where we could locate and how we could operate our new store. Raising more than \$1.6 million in local investments for our project certainly demonstrated our capabilities and the deep support we have.

We know that in order to make our business financially sustainable, visibility and a certain minimum size is key. We know that we want to connect more shoppers, staff, and stakeholders to the things we love about the co-op. The site we chose meets the criteria that allows for these increased connections.

It will be the work that we do going forward to support our success in the new location that will matter more than the specific pros and cons of choosing a site. It will be our staff, owners, shoppers, and unique product offering that bring the co-op to life in a way that no building or location could ever do.

Here's to everyone who continues to navigate our packed little store, knowing we are poised for change and that we are about to open our cooperative to many more people looking to make healthier food choices.

I hope you enjoy reading this annual report which includes some of the things your co-op is doing that sets us apart, both now and as we look to the future.

## A great place to work

When you shop at the co-op you support good local jobs. We treat our staff well in hopes they will treat you well with genuine customer service.

The co-op uses a robust livable wage model developed specifically for food co-ops. It includes calculations like personal savings and health insurance premiums that many models exclude. The current model calculates the living wage for a single person to be \$12 per hour, which is our starting wage. Co-op employees earn generous paid time off based on tenure.

The co-op has re-instituted group health insurance which includes vision and dental. We previously offered a monthly stipend to qualifying employees to put toward plans on the individual market; however, we saw the need to get group coverage again as the costs of these plans significantly increased. We also lowered the hours requirement to 28 hours a week for coverage eligibility.

The co-op is committed to creating a workplace culture that is constantly improving. Managers are regularly sent to leadership development trainings. Our ability to lead with

compassion and instill a system for how we interact with each other and customers makes for a happy workplace and a happy co-op for our customers. It will be vital to our future success as we add dozens of new staff members to help operate our new store.

*“There’s a definite sense of esprit de corps that I find in the workplace at the co-op. I enjoy being able to see different people walk through the building and each day brings an opportunity to help them, and see my work make an impression.”*

— Tyrel Trainor, Produce Buyer (pictured on next page top left)



earn paid time off



eligible for healthcare

average hourly wage  
all staff earn a livable wage

\$16

number of employees

28

worked at the co-op  
more than 1 year

70%



## Community Giving

Selling groceries might keep our store in business, but giving back to our community is at the heart of what we do. Your co-op gives to a variety of community organizations throughout the year with donations and sponsorship totaling more than \$6,000 in 2017.

We receive many requests for donations such as items for local parents club auctions, community radio pledge drive incentive gifts, and fresh produce for events. As long as it is a worthy cause that benefits our awesome community, we try and offer something that fits within our budget, from donating gift cards and t-shirts, to sponsorships worth hundreds of dollars.

Our larger sponsorships and donations go to non-profits that promote health and wellness, which aligns with our mission and strategic plan. An example is Run on the River, an event that not only gets people moving, but also raises funds for Astoria Parks Foundation. The foundation provides scholarships for local individuals and families to access health and wellness opportunities through the Astoria Parks &

Recreation Department. In 2017 the foundation awarded 1000 scholarships totaling \$30,000. Another example is North Coast Swim Club. When you see the co-op banner at the pool, know it's because we're supporting this healthy activity for local youth.

Beans for Bags, our reusable bag incentive program, is a fun way for shoppers to get in on the act of giving. For each reusable bag, shoppers receive a token bean worth 5¢ to drop in jars representing local non-profits. In 2017 we donated \$2,287 to a dozen organizations through this program.

Your co-op is expanding charitable giving with a new round-up program called Change for Community. We look forward to reporting the results once we have some time to track them. We think this new program will reap big rewards for local community nonprofits. There are many ways for you to help: round up your purchase total to the nearest dollar, bring a bag and donate your bean, or give your pocket change. With your help, we can be part of the positive change for community!



Run on the River  
Courtesy Astoria Parks Department

# Board Report

By Andrea Larson Perez, Board Member

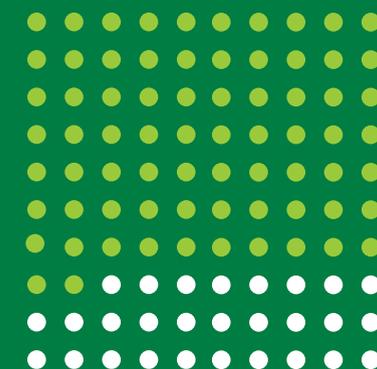
Plan your work, work your plan. That familiar missive encourages vision, commitment, preparedness and hard work and it very well describes the daily business of Astoria Co+op as we move diligently forward toward realizing our goal of the new store. It's the persistent and demonstrated support of our owners and community that helps keep our eyes on the prize as we navigate the many twists and turns that are inherent to a project of this magnitude. Let's take a quick look in the rear-view mirror to see how far we've come.

The last twelve months have seen the prior several years' expansion planning take real steps forward for a new location by securing investments, approving a lease, and working through the permitting process while demonstrating cooperative values in our community. It is a fundamental priority to be a good neighbor, building relationships with all. The tireless effort to maintain our preparedness for every step as the road map unfolds will continue. We have ongoing knowledgeable industry support and a great management team to see us through to completion. We hope to schedule a real groundbreaking soon!

The expansion of the co-op will be a monumental achievement! The new store will be a valuable enhancement in the lives of our entire community. We will be in an excellent position to serve residents and visitors, providing direct access to fresh, healthy, local food in a welcoming and efficient facility that will serve us for years to come.

Starting in 2017, we completed a full review of the bylaws. As the organization grows, the need for best practices in cooperative governance becomes increasingly important. Ultimately, the changes aim to improve readability and meet current legal requirements. The Board worked with a consultant experienced in cooperative governance and an attorney well-versed in cooperative law.

Thank you again for supporting YOUR Astoria Co+op! Your co-op team is committed to details, urgency and service. We are dedicated to making the effort. We make a lot of food. We move a lot of food. Your co-op is a dynamic organization that represents possibilities in our community!



**72%**  
of sales come from  
owners

**28%**  
of sales come from  
other shoppers

Our board of directors would like to extend a *thank you* to more than **4040** members and welcome the **280** new members who joined in 2017.



## Supporting our local economy

We know that local food is important to our shoppers and your co-op is proud to be actively working with more than 50 truly local farmers, producers, and vendors. We're talking about folks who live and produce or grow their products in our community. They make deliveries right to our store in-person and we strive to build solid relationships with them.

Local is difficult to define here on the North Oregon Coast where using any mileage radius for a definition puts us out into the Pacific Ocean for nearly half the area. The discussion among staff about whether or not to flag a product as local, happens on a product-by-product, vendor-by-vendor basis. Some local products are from small distributors such as Hummingbird Wholesale or Earthly Gourmet that operate out of Portland and Eugene. They help connect our co-op to a broader array of high quality products from the state.

We embarked on a project to better highlight our local producers, hiring Trav Williams of Broken Banjo Photography. You can see his work on large signs throughout the store,

web site, social media, newsletters, as well as the photos of 46 North Farm on the next page and Backwater Farm on the cover. In addition to using this photography in our various communication channels, we also provided photo access to the farmers and producers to use for their businesses.

Eating local is associated with environmental, mental, physical, and social benefits. Eating and shopping local helps preserve and grow small-scale farmland. Farmers who engage in direct marketing are more likely to use environmentally friendly production practices. Local food systems are linked to reduced food safety risks through production decentralization. They are also correlated with improved nutrition and healthier foods choices. And perhaps most important, getting to know our producers gives us a stronger sense of place, relationships, trust, and pride within our community. It certainly makes the co-op unique among the many shopping choices in our region. We are eager to grow our offering of local products with increased space in the new store!



## Minimizing environmental impact

A healthy planet has always been important to the co-op, and we're always trying to improve our practices.

Beans for Bags has been a popular reusable bag incentive program. We take the money that would have been spent on a paper bag and give it to a local non-profit. In 2017 the program incentivized and accounted for the use of 21,825 reusable bags.

Did you know that the co-op produces nearly no food waste? It's inevitable in a grocery store that there will be expired food, items with little flaws, and scraps from produce and deli. Rather than going into the dumpster, the co-op donates edible food to the CCA Regional Food Bank. Everything else is picked up by farmers wishing to supplement their animal feed and composting to create great soil. You can see from the graphic on the next page this really adds up!

The co-op has become a participant of Pacific Power's Blue Sky program. 100% of our electrical use is offset by contributions to wind, biomass, geothermal, and solar from the Pacific Northwest. We have also applied for a substantial

Blue Sky grant that would help put solar panels on the roof of our new store.

Your co-op, along with many co-ops across the country, is now participating in Co+op Forest. Co+op Forest is a carbon offset program associated with travel our staff makes to trainings or conferences. In order to create the offsets we're growing a sustainable forest in a formerly deforested region of the Peruvian Amazon. As of 2017, Co+op Forest includes an estimated 1.7 million trees which will offset 3,510 metric tons CO<sub>2</sub>e within their lifetimes, while also providing income and environmental benefits to the surrounding community.

Finally, your co-op has started participating in a custom program which aims to achieve measurable improvement to our social, environmental, and economic impacts. Over the coming years, and especially after our expansion, we'll have comparable data to share with our members and use to make strategic decisions about how we can improve. We look forward to reporting back to you as data is collected over time.

**8,276**  
pounds of produce scraps farmers picked up for compost and animal feed

**21,825**  
pounds of healthy, edible food diverted from landfill and given to those in need



**1.7 million**  
native trees are growing in Co+op Forest

**3,510 metric tons**  
of CO<sub>2</sub> has been offset since 2012

## Growing the co-op economy

### Sales

Our co-op again demonstrated strong sales growth in 2017. We also posted a small net profit. Most importantly, we strengthened our balance sheet considerably through our capital campaign and we are well-positioned to make our new store project a success.

### Preferred Shares Campaign

A true demonstration of our cooperative prowess and of co-op principle #3: member economic participation. Raising this equity in the fall of 2017 was pivotal to securing our outside lending and meeting other obligations associated with our project. A team of dedicated volunteers worked with co-op leadership to keep on track and surpass our goal. These investments mean we keep more money in the local economy and reduce our need for bank financing.

Equity Raised **> \$1.63M**

Average Investment **> \$10K**

Av. Cumulative Dividend **> \$3.8%**

### annual sales in millions



To our owners, board, staff  
and partners – thank you  
for making it a great year.  
We are stronger together!



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