

ANNUAL REPORT

Durham
CoopMarket

Everyone Welcome



FALL 2019



Fellow DCM Owners,

2019 was a banner year for our co-op, with strong sales and owner growth combined with store improvements that enhanced the shopping experience. As we approach our fifth anniversary (Big party in April, mark your calendars!) we couldn't be more excited about our place in the community, the maturation of our operations, and the ways in which we are addressing and promoting our core values.

We grew sales by over 16% and our owner count by over 600 people in fiscal 2019, even with all of the major road projects going on around the store. We appreciate your patience and understanding during this work, and we're celebrating its conclusion.

Based on our confidence in profitable store growth going forward and in consultation with our General Manager, the board approved the initiation of accrued-dividend payments on our preferred stock. Preferred stock investment was made by a group of owners prior to the opening of our store to help fund store construction and capitalize our balance sheet, which remains in a strong position today. This is a big milestone and demonstrates our commitment to these owners and ability to meet financial obligations through profitable operations. Preferred stockholders who bought shares in 2011 and 2012 will be receiving dividend payments next week! (Please check with us at info@durham.coop if you'd like to confirm your information.

Looking ahead, we're projecting more growth which strengthens our determination for the co-op to serve the growing needs of our community. As always, we appreciate the tremendous efforts of our staff and the continued support and patronage of all of our owners!

- The DCM Board of Directors

ENDS POLICY

The Durham Co-op Market Board of Directors establishes the goals and values of the organization in a statement called our Ends Policy. This policy is then passed to the General Manager and the staff to operationalize.

Our Ends Policy, written and adopted by the Board of Directors, reflects the intended results of the Co-op's efforts. Our Ends policy provides the framework through which our co-op will prioritize its efforts, evaluate its impact, and measure its successes.

This Policy was adopted in July 2017.



The Durham Co-op Market will:

- **Create an open, inclusive, and diverse store that welcomes our community.**
- **Make high-quality, nourishing food affordable and accessible.**
- **Support the local economy and local food systems.**
- **Model environmental sustainability in our practices and products.**
- **Foster a healthy workplace based on dignity, opportunity, and fair compensation.**

End #1 says: The Durham Co-op Market will create an open, inclusive, and diverse store that welcomes our community.

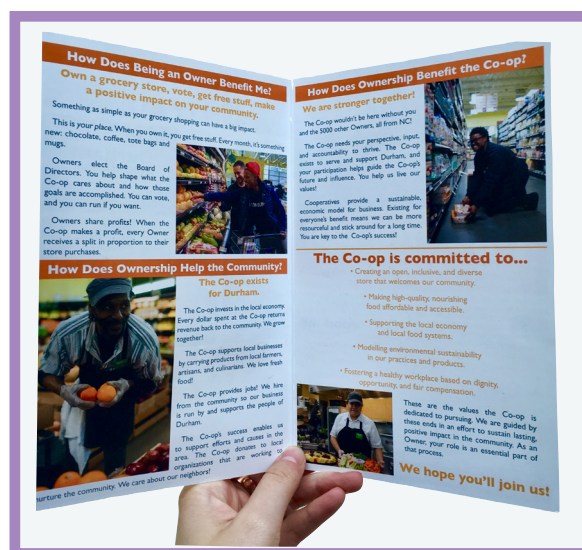
We do this by:

CLARIFYING OUR MESSAGES

We redesigned our Ownership Materials to be concise, inspiring, and easy to understand.

We created two new info cards to pass out to potential owners to more easily explain the co-op and share information about us with our community. We also created new ownership pamphlets giving specific reasons for being an owner and owner duties.

Our new materials better answer the questions of Who an owner is, what an owner does, and why people should become co-op owners.



WELCOMING THE COMMUNITY INTO THE STORE

We hosted events to welcome local communities, including:

- Kwanzaa
Local artist Teli Shabuthe (leader of The Magic of African Rhythm) led our Kwanzaa celebration, honoring the works, contributions, business, products, and vendors from our African American community.

- A diverse group of musicians for \$3 dinner
This year we diversified our \$3 Dinner performers with newcomers like crowd-favorite DJ Vespertine, who was born and raised in Durham and Asher Skeene, an up-and-coming Trans musician. These new artists have expanded our ability to create a space for different people with different musical tastes.



SUPPORTING OUR COMMUNITY

(while diverting food waste)



We hired a Community Outreach Coordinator on our Marketing Team.

This year we hired Raafe Purnsley as our Community Outreach Coordinator, a new position created specifically to increase our presence in our community.

Raafe has been an incredible addition to our team - he has created new relationships with community organizations, increased our capacity for food donations, and spread the word about who we are and what we do.

We tabled at community events.

This year, we were asked by multiple community organizations to table at local events. With the specific goal of reaching new community members who don't yet know about our Co-op, and educating people about who we are and what we do. We tabled at:

- Job Expo for Step Up Durham
- Festival of Life at the Durham Armory
- Scrap Exchange
- Durham Housing Authority Food and Health Expo

We donated food to:

We created regular chains of giving to various community groups. Currently we provide food for Community Empowerment Fund (CEF) volunteers and groceries for CEF members, Embrace Durham Ministries, Urban Ministries, and Catholic Family Charities.

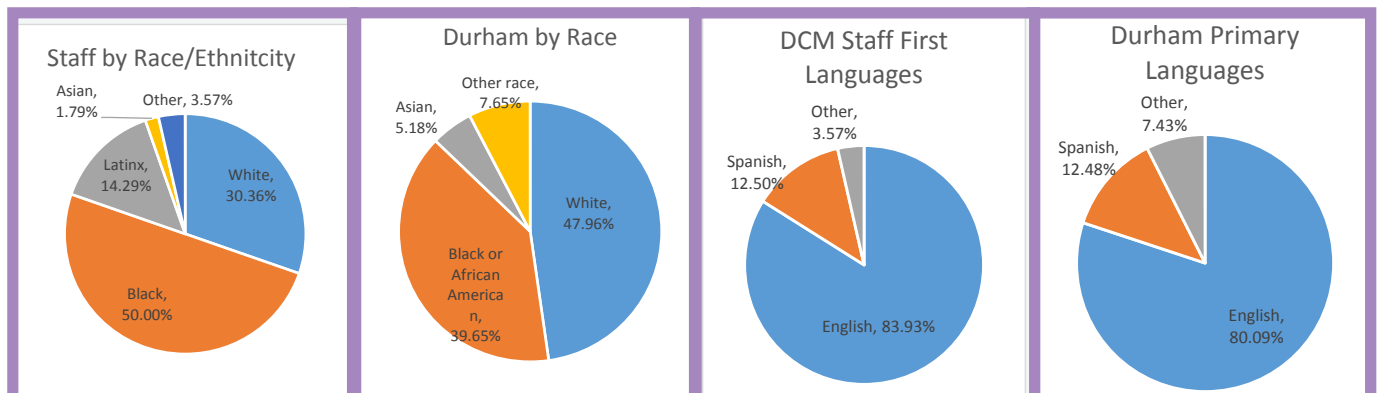
We also feed four legged and feathered community members, by providing produce clippings for the animals at the Blind Spot Animal Sanctuary and Hux Family Farms. We donate cardboard trays to the local APS of Durham to use as litter boxes.

We donated gifts, prizes and platters to:

- The LGBTQ Center of Durham
 - Carolina Farm Stewardship Assn.
- (and lots more)

EMPLOYING DIVERSE STAFF THAT IS REPRESENTATIVE OF OUR COMMUNITY

We are committed to employing a staff that reflects our community. In fact, we aim to match or exceed Durham's diversity by hiring a staff that reflect identities that are frequently or historically marginalized.



End #2: The Durham Co-op will make high-quality, nourishing food affordable and accessible.

We do this by:

LOWERING PRICES WITHOUT COMPROMISING QUALITY

This year, we significantly lowered prices in our store by bringing in SuperValu products. We were the first NCG Co-op to begin ordering from SuperValu. In doing so, we gained access to a huge catalog of affordably priced products that are simply not available at these prices from UNFI.

Our product selection focused on three main goals:

- Provide core pantry items at very competitive prices.
- Offer lower prices on organic items, especially those that we were previously sourcing from big national brands
- Replace the items in our previous mix that were just so expensive that they pushed people away. This is a group we referred to as “The Stupids.”



Core Items



Wild Harvest
Org. Mixed Berries,
10 oz, \$3.99

vs.

Cascadian Farms
Org. Harvest Berries
(General Mills)
10 oz, \$4.99



Lower Prices on Big, Anonymous Organic



Essential Everyday
Unbleached AP
Flour,
5lbs, \$2.99

vs.

King Arthur AP Flour,
5lb, \$6.99



The Stupids



Essential Everyday
Baking Soda
16 oz, \$0.99

vs.

Bob's Red Mill
Baking Soda
16 oz, \$3.99



FOOD FOR ALL

Our Food For All discount is a 20% discount to owners who are eligible to receive SNAP benefits.

Our Food For All Program is a huge part of our core mission as a Co-op. We began by offering a 10% discount to owners who are eligible to receive Food Stamps – but after one year, we realized it wasn't enough of a discount to make our store truly accessible to our low-income neighbors.

When, we raised the FFA discount to 20%, and saw a big increase in the amount that people use it.

10% of our consumer owners are FFA owners. This year, they saved over \$50,000 on their grocery bills.



¡Me inscribo!

¡Llena la información de abajo y devuelve esta tarjeta en la caja para hacerte dueñx!

La Cooperativa ofrece la opción de propiedad llamada Alimentos para Todxs (FFA por sus siglas en inglés) para clientes que califican para el programa SNAP y otros beneficios. La Propiedad FFA cuesta \$15 para iniciar, y el resto de la membresía se paga a través de los dividendos. Las propietarixs FFA reciben todos los derechos y beneficios de ser dueñxs además de un descuento del 20%. ¡Verifica tu elegibilidad para el programa SNAP cuando te inscribas para ser propietarix de la Cooperativa!

Nombre: _____ Referencia hecha por: _____
Dirección: _____ Fecha: _____
Ciudad/Código postal: _____ Firma: _____
Correo electrónico: _____ Número de Propietarix: _____
Teléfono: _____
Verificado por: _____

¡Bienvenidx a la cooperativa!

comida para todos

AHORRA 20%, se dueñx de una tienda de alimentos, vota, recibe cosas gratis, y apoya a tu comunidad. Más personas con acceso a alimentos saludables, locales y orgánicos.

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ROUND UP

We round up to support our FFA discount. Our Round Up program successfully covers at least 10% of the 20% discount for our FFA owners. We received \$35,481.98 in roundup totals last year, which was enough to keep the program running and healthy! This means that over half of the program is funded directly by our community. The Co-op covers the remaining 10%.

It is significant to us to be able to sustain our Food For All discount through our own community's support, without relying on external fundraising. Our local Durham community is investing in access to healthy food for our whole community.



durhamcoopmarket
Durham Co-op Market

durhamcoopmarket We ask our shoppers to round up their purchases to the nearest dollar so we can offer a 20% discount to our Food For All Owners. Food For All allows folks with SNAP, EBT, and other benefits to become Co-op Owners for just \$15 and receive 20% off their purchases. Last month, y'all teamed up and donated over \$3,500 to support this program, and we are continually thrilled and proud to have a community that helps make good food accessible for everyone. Keep it up y'all! If you qualify for SNAP, EBT, or other benefits and are not yet an Owner, visit the store to learn more and sign

Liked by stormiedaie and 118 others

APRIL 24

Add a comment... Post

End #3: The Durham Co-op will support the local economy and local food systems.

We do this by:

SELLING AND FEATURING LOCAL PRODUCTS

We prioritized local products in our store, and helped promote and feature local products in creative ways.

For example, in a recent demo of our new fried shrimp (We sell it on Tuesday evenings at Brewsday. Have you been yet? It is awesome.), we paired it with Santhoshi Kitchen chutney, a delicious spicy Indian-style tomato chutney made near Charlotte, NC. This is a great product, but it is expensive, and can be intimidating to customers. This demo gave lots of people the chance to try it, and allowed us to promote a great local product while also letting people know about a new menu item.

Another example: In addition to selling loose-leaf tea from Jeddah's Tea (based in Durham!), we featured a special blend of Jeddah's Chai in our Drink of the Month at the coffee bar.



We served this housemade fried shrimp with Santhoshi's locally-made tomato chutney. So good!



We hired a Vendor and Product Ambassador on our Marketing Team.

This year, we upped our game in storytelling about our favorite local vendors by adding a whole position devoted to just this mission! Meredith Cohen joined our marketing team as Vendor and Product Ambassador. She shares the stories of our local vendors and products through in store demos, on social media, and on messaging within our store.

SUPPORTING DURHAM BUSINESSES THAT SHARE OUR VALUES

We connected with local businesses who share our values, and who are also investing in our Durham community.

We focused on Durham-based businesses. This year, while we have not changed our designation of “local”, we focused our promotional attention on businesses in Durham. The network of local businesses, mostly run by women and people of color, is doing amazing things. This year we partnered with:

- Jeddah's Tea
- Firsthand Foods
- MATI
- Motherland Organics - new this year!
- 4th Dimension Coffee - new this year!



Supported local businesses and artists by hiring them and hosting them in our store.

We began building a strong relationship with Liberation Station, a local book project uplifting stories about African American children and Children of Color. We hosted them for a Co-op Cafe Conversation, one of our best attended yet, and have been continuing to build a friendship with them through cross-promoting each other's events. Our support of them benefits the community, because we believe the service they are providing is essential, and because we want kids and families of color to know explicitly that the co-op is their place.

End #4: The Durham Co-op will model environmental sustainability in our practices and products.

We do this by:

PROVIDING CUSTOMERS WITH REUSABLE ITEMS

We gave away branded, reusable tote bags and mugs.

This year, several of our monthly owner giveaways were reusable items. In March we gave away travel mugs, and we often see folks in the store (and around town!) using their mugs when they stop in for coffee or tea. Later in the year we gave out house-branded tote bags for folks to use for their grocery shopping as an alternative to single use plastic or paper bags. In July we gave away local, non-GMO corn.



BUYING PRODUCTS FROM SUSTAINABLE VENDORS

Bought products that were farmed/sourced sustainably.

We brought on new vendors that are committed to environmental sustainability.

- Blue Thumb Farms – hydroponic!
- Jeddah's Tea – organic, fair trade!
- Diaspora Co. + Spicewalla Brand Turmeric – sustainable, fair trade
- Charlotte's Web – renewable, non-GMO, sustainable
- 4th Dimension Coffee – sustainable and ethical



Cam, our Produce Manager, visits Brett at Red Hawk Farm. We wrote up a full article on their lettuce growing practices!

PROVIDING EDUCATIONAL OPPORTUNITIES ABOUT SUSTAINABILITY

This year we launched our Café Co-op Conversations series.

These monthly events center around the work of artists, activists, and community partners in Durham. Bryant Holsenbeck shared about her book “The Last Straw” and her journey of living without disposable plastic. In April, we brought together a panel of local businesses including, Firsthand Food, Eastern Carolina Organic, Farmer Foodshare, the People’s Seed, and Sankofa Farms to talk about their work in sustainable farming and production.



CREATING A RAIN GARDEN WITH NATIVE PLANTS

Our new rain garden directs the water run-off from our roof and sidewalks to the plants.

These plants protect our commons by keeping the soil together and slowing the run-off decreasing the amount of soil that is washed into our local water systems.

Our new garden was designed and installed by Kacie Martin, of Earth’s Answer Gardening and Ecological Landscaping. The plants Kacie chose are native and are suited to our hot weather and an ideal habitat for our pollinator community. The new design also improves the atmosphere for dining shoppers and highlights the impact that local plants make for our natural communities.



End #5: The Durham Co-op will foster a healthy workplace based on dignity, opportunity, and fair compensation.

We do this by:

HONORING THE SKILLS AND CULTURES OF OUR STAFF

Janette's Aguas Frescas

Janette Magana Leal, one of our lead cooks in the kitchen, came up with the idea of making aguas frescas out of fruit from our produce department, and has been using her own agua fresca recipe to make them in house!

Janette makes traditional flavors like Tamarindo and Jamaica, and she highlights seasonal flavors and local products. This summer, she made sandia (watermelon), melon (cantaloupe), and fresas (strawberry.)

They've been a great hit with customers!



Hector and Lalo's Meal

This year, we rebranded "Meatless Mondays" as "Plant Based Adventures" and let two of our kitchen cooks, Hector Suazo and Lalo Lopez, make this meal their own. Hector and Lalo have developed exciting new menus that incorporate local, in season produce. They have brought creative perspectives to global dishes.

We have seen an amazing increase in the quality, consistency, and creativity of food we are putting on our hot bar on Monday evenings.



Raafe Purnsley, our Community Outreach Coordinator, has been performing professionally as Stormie Daie for 5 years as part of Durham's foremost drag family, The House of Coxx. We hired Stormie Daie and The House of Coxx to perform at the Consumer Cooperative Management Association's annual conference (CCMA) and to table with us during Pride Night at the Durham Bulls Athletic Park.

CCMA brought co-op professionals from all over the country, and we were so to showcase Stormie's warm, welcoming, and fabulous talents.



PAYING OUR STAFF WELL, AND PROVIDING ESSENTIAL SERVICES AND BENEFITS

We raised our hiring wage and our one-year wage. In 2019 we raised our base pay for entry level employees from \$10.00/hr to \$11.00/hr and our pay for 1 year employees from \$12.50/hr to \$13.00/hr. We also completed cost of living adjustments for all other employees.

We now offer non-birthing Parental Leave as a benefit. As of 2019, all employees expecting a child may take a 3 week paid leave of absence for the birth of a child and care of a newborn child of an employee or for the placement with the employee of a child for adoption or foster care. (This is in addition to our longer coverage of a birthing parent.)

We got an Employee Assistance Program. Our EAP provides all staff with access to psychological, legal, and financial support services at no cost to the employees.



PROVIDING ALL EMPLOYEES WITH OPPORTUNITY FOR ADVANCEMENT, AND TO BUILD CREDIBILITY WITH FUTURE EMPLOYERS

Made trainings and meetings accessible to everyone.

We started offering translation during bullpen meetings. We partnered with Tilde Language Justice Cooperative to translate our weekly staff newsletter (currently only to Spanish, but we have used interpreting services for Arabic dominant speakers in the past.) Translators from tilde attended employee performance review meetings with our Spanish dominant speakers & they regularly attended weekly all-staff meetings and translate in real time for our Spanish-dominant staff. Tilde is a relatively new translation cooperative in Durham, and our partnership is mutually beneficial in many ways.

We made Manager meetings more inclusive.

We made Manager meetings more inclusive. In the past, we held manager meetings that included only department managers and coordinators. We have restructured the "manager meetings" to now include a rotating roster of Managers, Shift Leaders, Coordinators, MODs, and other relevant staff from each department. The increased in the number of people who attend leadership meetings has resulted in an influx of new information and new perspectives being shared on a weekly basis.

Durham Co-op Market, Inc.
Income Summary
For the year ended June 30, 2019

Total Sales	7,466,922
Cost of Goods Sold	(5,084,791)
Gross Profit	<u>2,382,131</u>
Expenses	
Personnel Expenses	1,511,718
Other Operations Expenses	666,383
Total Operating Expense	<u>2,178,101</u>
Net Ordinary Income	<u>204,030</u>
Other Income/Expense	
Other Income (interest/patronage div)	14,440
Depreciation Expense	(121,191)
Interest Expense	(43,596)
Amortization Expense	(1,692)
Franchise Tax	<u>(469)</u>
Total Other Income /Expense	<u>(152,508)</u>
Net Income	<u>51,522</u>

BALANCE SHEET
June 30, 2019

ASSETS

Current Assets

Cash and cash equivalents	493,628
Accounts Receivable	99,168
Deli Inventory	31,932
Grocery Inventory	84,385
Beer/Wine Inventory	78,172
Produce/Meat Inventory	29,934
Wellness Inventory	98,589
Other Current Inventory	205,935
Total Current Assets	<u>1,121,743</u>

Leasehold Improvements	686,413
Furniture and Equipment	807,803
Accumulated Depreciation	(484,494)
Total Fixed Assets	<u>1,009,722</u>
Total Other Assets	<u>84,530</u>
Total ASSETS	<u>2,215,995</u>

LIABILITIES & EQUITY

Liabilities	
Total Current Liabilities	519,718
Total Long term Liabilities	1,943,982
Total Liabilities	<u>2,463,700</u>
Total Equity	<u>(247,705)</u>
TOTAL LIABILITIES & EQUITY	<u>2,215,995</u>