

Free

CO-OP NEWS

A PUBLICATION OF NORTH COAST CO-OP

Your Organic
Member-Owned

grocery store

Since
1973

WINTER 2019 • ISSUE 107



www.northcoast.coop
co-opnews@northcoast.coop

EDITOR

Laurie Talbert

Marketing & Membership Director
(707) 822-5947 ext. 231
laurietalbert@northcoast.coop

GRAPHICS & COORDINATION

Zev Smith-Danford

Graphic Design Coordinator
(707) 822-5947 ext. 232
zevsmithdanford@northcoast.coop

Caitlin Fowler

Graphics & Marketing Assistant
(707) 822-5947 ext. 233
caitlinfowler@northcoast.coop

COOPERATIVE OFFICES

811 I St., Arcata

GENERAL MANAGER

Melanie Bettenhausen

(707) 822-5947 ext. 220
melanieb@northcoast.coop

MEMBERSHIP COORDINATOR

Jules Katz

(707) 822-5947 ext. 234
membership@northcoast.coop

BOARD OF DIRECTORS

Mary Ella Anderson, Robert
Donovan, Colin Fiske, James Kloor,
Ed Smith, Leah Stamper, Cheri Strong
board@northcoast.coop

All articles, columns and letters are the expressed opinion of the author and not of North Coast Co-op.

LETTERS TO THE EDITOR

Letters must include your name, address, member #, and telephone #.

Letters should be kept to a maximum of 250 words and may be edited. We regret that we may not be able to publish all letters due to limited space. Email your letters to co-opnews@northcoast.coop or send them to: Co-op News, 811 I Street, Arcata, CA 95521.

Letter from the Editor

by Laurie Talbert, Marketing & Membership Director

A RECURRING THEME I HEARD from members at recent board meetings was that they weren't aware of the financial trouble the Co-op was having. At the same meetings, members offered suggestions for how the Co-op could recover by slashing unnecessary costs. Some members suggested eliminating *Co-op News*. So, I am left to ponder, how do we balance communicating to our members with the cost of that communication?

Co-op News has been the Co-op's primary member news tool for years. It is part of providing the 'more than just a grocery store' experience that defines our Co-op. It is also a vital connection for members living outside of the area who can't attend meetings or aren't in the stores regularly. Many *Co-op News* readers receive their copy via email or read it online from the Co-op's website, but the print copies that are shared in the stores and mailed to members come at a cost that impacts our bottom line.

The messages the Co-op shares with members are not limited to news. Members receive an annual statement and election materials each year. Members invested in dividend-earning C-Shares also receive quarterly statements. How do we accomplish sharing all of this with our members? One answer seems clear. Email is likely the quickest, least expensive and most environmental-

ly-sound way to send communications. The software systems needed to ensure secure delivery of emails could be costly, and the work involved with collecting email addresses from more than 18,000 members long. Additionally, not all our members embrace or have access to email, and some of our notices are required to be sent by traditional mail.

The Co-op will turn its focus to email in the coming fiscal years, planning an investment of staff time and budget in collecting email addresses from our members and developing systems that will allow us to efficiently and securely send quarterly dividend statements, annual statements and Co-op updates. Maintaining print options for everything we send, and letting members choose how to receive communications, will need to be part of the plan. It won't happen overnight, but the effort will be worth it in the long run, both financially and environmentally.

In the meantime, we will continue to share news of the Co-op in as many ways and as often as we can, including via *Co-op News*. We will focus more energy on promoting the electronic version and email subscriptions. You can subscribe to receive Co-op emails, including *Co-op News*, on our website. Visit the *Co-op News* page and select 'Stay Connected'. ■

INSIDE

- 2 Letter from the Editor
- 3 From the General Manager
- 4 Annual Membership Meeting Recap
- 5 Sustainability Snapshots
- 6-7 Board Meeting Recaps
- 7 Board of Directors Election Results
- 8 Member Feature
- 9 Local Produce Guide
- 10-11 Five-Year Strategic Plan
- 12-13 Farm Feature: Earthly Edibles
- 14-15 Know Your Store
- 16-17 Staff Picks
- 18 Zero Waste
- 19 Featured Produce: Artichokes
- 20 No-Knead Bread Recipe
- 21 Co-op Clam Chowder Recipe
- 22-24 Deli Feature
- 25 From the Co-op News Archive
- 26 Financials
- 27 New Controller Announced
- 28 Wellness Wednesday
- 29 Co-op Kids Corner
- 30 Meet the Management Team
- 31 Calendar

Cover Photography and Typography by Caitlin Fowler

Co-op Making a Comeback

by Melanie Bettenhausen, General Manager

I AM HAPPY TO REPORT that we have turned a corner toward profitability. It has been a major effort by all and I am very proud of those involved. It hasn't been an easy ride, though, and it has taken its toll on our co-op. I'd like to acknowledge the tough stuff and share what we've done to begin to recover our financial health.

To start, after reading about our financial struggles in *Co-op News*, or in one of our local media sources, members responded with feedback regarding what they love about the Co-op and also how we could do a better job to meet their needs. They also shared ideas about how we could improve operations with efficiencies. Some even offered their services. This type of collective effort is what differentiates our cooperative business model!

Shoppers and members also responded by choosing to spend more of their grocery dollars with us during the holidays. Some told me that they were spending their entire food budget at the Co-op. Those who were already members invested more, and others became members, so they could make investments in B and C Shares—some in the tens of thousands of dollars. More recently, some who could afford it have opted to decline their member, senior or employee discounts. This not only increased our sales, it put us in a position to start building back our cash. Our stores were so busy over Thanksgiving and Christmas it was difficult to push carts through the stores and keep product on the shelves. Thank you!

We made it through the holidays with less staff. We laid off six employees between late September and mid-October and lost many more through attrition (when an employee voluntarily leaves and we do not fill the position). We also cut some staff schedules by 30 minutes per day. This has been a hardship for employees, both for those who lost their jobs and those who are living with less money in each paycheck. Not only are they earning less, but they are working harder when they are at the Co-op because there aren't as many people to get everything done. This has taken a toll on everyone and it is my goal to get us back to a healthier state in this regard. I volunteered to take a 6.25 percent pay cut back in November and will keep that in place until we reach 15 days of cash on hand, which

would indicate a solid financial position. I expect that employees will go back to their full 40-hour work weeks sooner than that.

Prominent media exposure of our situation, including headlines like "Co-op on Shaky Financial Ground" have resulted in fears of the Co-op going out of business. People said they couldn't imagine our community without the Co-op. I agree. I stayed in Humboldt County after graduating from Humboldt State University primarily because of the Co-op; first because that is where I bought most of my food and eventually because that is where I made my career. For those of you who don't know, I have been with the Co-op since 2007. I started as Member Linkage Director and was a member of the management team from the very start. I have made a living out of making the Co-op the business leader that it is in environmental and social responsibility. Becoming the general manager meant taking on the third leg of a triple bottom line company—profit. Making a cooperative grocery business profitable when our legacy is "food not profit" and many people think we are a non-profit is difficult, however, it is and has been achievable. Mine and everyone's intention is to bring us back to financial health without compromising the values of people and the planet.

What I can tell you is that running a cooperative business is one of the most challenging roles I've come across in my 25+ years of experience in a variety of fields, but it is also the most rewarding. The thing that makes it difficult—listening to and responding to a variety of interest groups and stakeholders—is also the thing that makes it unique because we all share the same cooperative principles. Not only is the grocery industry, the consumer and the economy always changing, but the leadership of a co-op is always changing too. With Board of Director terms at three years and elections annually, the board is perpetually turning over and in a learning curve. Depending on the make up of the board and its cohesiveness in vision and goals, the general manager position turns over about every three years also. This means that the Co-op is in a constant state of learning and regeneration.

This has its positives and negatives. On the one hand you get fresh perspectives; on the

other, you can't always stay on track to finish projects or find the time to innovate. At the December board meeting, I recommended that the board begin the search for a general manager. My contract is up November 2019 and it can take 8-12 months to find an experienced person to fill the role. I don't want to leave the board in the position of having to terminate my contract in order to begin the search for my replacement. I'd like them to have the opportunity to do a search to ensure that they have the right person for the job, with the hope that it will be me. I will go through the application process along with all the other candidates. If I am not offered the job, I will work cooperatively to bring a new person on board. After all, this is my co-op and I want to see its success even if that means I need to step aside. However, I believe I am the right person for the job and have lots left to contribute to this institution and the community it serves—I feel like I'm just getting started!

In the last few months, our leadership team has worked to end our forward buying program, reduce administrative expenses (including the difficult task of cutting staff by nearly 20%), reduce inventory by \$295,000 in one quarter and find creative ways to increase sales. We saw a positive net income of \$95,000 in November; the first after several consecutive quarters of sustained losses. As of the end of December, we were nearly back to prior year sales numbers--whereas we had been as much as 6 percent down in October—We now have a new controller in place, after being without since the end of May, and have implemented many new tools and reports to allow us to respond faster to economic conditions. We are moving in the right direction.

Most exciting is that the new hot/cold bar has been installed at our Eureka location and our newly renovated production kitchen is on the cusp of being in operation! We've got a few more hurdles to jump but we look forward to sharing our success with you.

I cannot say enough how thankful I am that all of you came to rescue of the Co-op. It is yours after all. With our cooperative business model and our community support, you can count on the Co-op being around long into the future! ■

Recap of North Coast Co-op's 45th Annual Membership Meeting

MEMBERS GATHERED TOGETHER on Sunday, October 21 for the Co-op's Annual Membership Meeting and Celebration. It was an opportunity for the board and staff to give an update on the state of the Co-op and for members to connect with each other and share their ideas and frustrations. Declining sales, labor and

other cuts made to respond to a weakened financial position, the Eureka store remodel project, the adopted Five-Year Strategic Plan and the Co-op prepared food options were all debated topics of conversation. While tense at times, and celebratory at others, it was not lost on anyone that as a cooperative

business the opportunity to share in that way is a unique and vital part of our democratical-ly-owned organization. As at any Co-op event, there was great food freshly made by our Deli team. The delicious fare included cakes to celebrate the Co-op's 45th anniversary. ■



Kiya Villarreal, Sustainability Coordinator, and her baby Selu greet members at the sign-in table.



Anniversary cake baked by North Coast Co-op Bakery.



Local produce on the tables with food for members.



Boards filled with 45 years of Co-op memorabilia including member cards, articles, photographs, aprons, t-shirts, and so much more.



Co-op member, Roger, serving as Master of Ceremonies for the meeting.



Members fill their plates with Co-op Deli items prepared for the Annual Membership Meeting.



Melanie Bettenhausen, General Manager, recaps the previous year for North Coast Co-op.

Sustainability Snapshots

by Kiya Villarreal, Sustainability Coordinator

Community Connections - Going Greener

ON NOVEMBER 15, WE CELEBRATED the City of Arcata's 2nd Annual Zero-Waste Day at our Arcata store location. November 15 is Zero-Waste Day, which is nationally recognized as "America Recycles Day" but because recycling isn't always ideal and is only a small piece of a larger puzzle, Zero-Waste Day seems more fitting for celebration and education!

The Co-op celebrated by handing out free bamboo forks, engaging kids in a fun com-

posting challenge and sharing the durable options available when visiting our Co-op (and beyond!) SCRAP Humboldt joined in on the fun by giving new life to fun tins and bags and handing them out to shoppers with the challenge to reuse instead of choose single-use.

As the buzz around the term zero waste grows and #zerowaste hashtags are seen across social media, remember that the term zero waste is used to describe the goal and ef-

fort to move to zero waste and not an expectation for perfection! Please never feel excluded if your pantry isn't streamlined with identical glass food jars. Here at the Co-op we welcome small steps and encourage you to use what you already have as many times as it works! We see many shoppers reusing the same few plastic produce bags every day- taking them home to rinse and reuse on their next Co-op trip! ■



Kiya Villarreal, North Coast Co-op Sustainability Coordinator holds up bamboo forks given away on Zero-Waste Day.



Giveaway prizes for Zero-Waste Day displayed on the Zero-Waste table in the parking lot of the Arcata store.

California Senate and Assembly Bills Impact Co-op

WORK DONE AT THE STATE LEVEL through Assembly and Senate Bills directly affect our Co-op. Here's how:

Senate Bill 1383, the Short-lived Climate Pollutants Act, signed in 2016, works to meet targets for organic waste reduction and the recovery of edible food. Luckily, the Co-op already has long-standing edible food recovery and donation systems in place. We value feeding our community good organic food whenever possible and SB 1383 only strengthens how important and reciprocal our community ties are with our local food banks. Our local food banks collect and quickly redistribute any food that doesn't sell swiftly enough to keep in our Co-op.

It started with Assembly Bill 1826 signed in 2016, the Mandatory Organics Recycling Act. While this act served to reduce landfill-bound organics, it did not address food waste of edible foods, which is why Senate Bill 1383 shortly followed. I shared in the fall edition of *Co-op News* how the Co-op follows the Food Recovery Hierarchy to get the best possible use of food at ALL its stages. For us, that means that edible foods not suited for sale are donated to Food for People. Any food that is not fresh enough for people seldom ends up going to a landfill. Instead, it is routed to one of two places. First, a local farmer picks up

directly from our store and uses the scrap as feed for animals. Second, any remaining food is picked up by our composting partner The Local Worm Guy. He uses the remaining inedible food, coffee grounds, egg shells, and produce trimmings to turn it into a nutrient-dense soil amendment by vermicomposting (worms do the work)!

The system works. The Co-op records monthly donations of 3,500lbs of fresh, organic edible foods. An additional 900 gallons of scrap is composted monthly. ■



Lloyd of The Local Worm Guy, moves compost at his compost facility.

Third Quarter Board Meeting Recaps

October, November, and December board meetings

by James Kloor, Board Treasurer

THE LAST THREE MONTHS OF 2018 have been filled with Co-op board meetings and member participation.

In October the board held its first meeting in the Eureka store in years. There were over 50 members present, many of them employees, speaking to the recent layoffs instituted by management, and a general lack of clarity regarding the financial situation of the Co-op. Considering that there were decreases to hours and percentage cuts across the organization, the Board of Directors elected to take a 25% cut to their monthly stipends. Also discussed was a new communication policy with the board – emails sent to Board@north-coast.coop are now automatically sent to every board member, at the same time. Management is not privy to information unless the board deems it necessary, and responses should be sent by the board president.

November saw four board meetings, one regular meeting at the beginning of the month, several special board meetings, and a Finance Committee meeting. A common thread through these months is that member participation at meetings has been higher than we've seen in prior months, even years, and shows how engaged our members are in their Co-op. Some came after attending the Annual Membership Meeting, others after they read the articles posted by local media outlets, and familiar regulars were present as well.

What was apparent to me in the comments and discussion of the board is the need to affirm our commitment to transparency, and to rebuild trust between the board, employees, and members. While this is an ongoing conversation there has been action. Quarterly financials will be posted on the website next to Finance Committee agendas and minutes. There is a new policy for chairs of board committees to write a summary of each meeting to be emailed to employees, posted in stores and online. Discussion of best communication practices will be continued at the January and February board meetings.

ANNUAL MEMBERSHIP MEETING

The Annual Membership Meeting was held October 21 – celebrating 45 years! Member turnout was very high, with the Arcata Veterans Hall nearly filled to capacity. The Annual Membership Meeting is a time for the board to hear from the membership, and with so many in attendance, to hear voices across the entire member base. Chief among the requests from members was more transparency, clarity about the Co-op's financial situation, and better sharing of knowledge. Members were, and still are, worried about the financial viability of the Co-op, with many offering impassioned pleas to keep this community centerpiece healthy and vibrant.

STRATEGIC PLAN ADOPTED

At the Annual Membership Meeting members adopted the next five-year strategic plan – set to take effect fiscal year 2020 to 2024. You can read more about it on the Board page on the Co-op's website. The strategic planning process for the next five years was member lead, and member adopted. It covers a broad range of topics; from our Co-op as a community hub to strengthening our position as the most welcoming, accessible, and affordable place to buy healthy, quality, organic, and local food. The strategic plan incorporates racial and social equity to diversify the makeup of our leadership positions and ensure we confront inequity and inequality in our operations and in our community. Historically, we've been a leader in environmental responsibility, and will continue to improve our environmental practices focusing on reducing waste, energy consumption and greenhouse gas emissions while engaging consumers and vendors in low-impact shopping. Included in the strategy is developing our local cooperative economy to foster and develop new cooperative ventures with active community leadership and education regarding the cooperative movement. Members continue to push the Co-op to support our robust local food system to increase autonomy over the production and distribution of food

Continued on page 7

BOARD OF DIRECTORS & COMMITTEE MEETINGS

January Meetings

Board of Directors Meeting

January 3 • 6pm, Ten Pin Building

Member Action Committee

January 9 • 5:30pm, Ten Pin Building

Earth Action Committee

January 9 • 6:45pm, Ten Pin Building

Policies & Procedures Committee

January 16 • 5:30pm, Ten Pin Building

February Meetings

Board of Directors Meeting

February 7 • 6pm, Location to be Announced

Member Action Committee

February 13 • 5:30pm, Location to be Announced

Earth Action Committee

February 13 • 6:45pm, Location to be Announced

Finance Committee

February 27 • 6pm, Location to be Announced

March Meetings

Board of Directors Meeting

March 7 • 6pm, Location to be Announced

Member Action Committee

March 13 • 5:30pm, Location to be Announced

Earth Action Committee

March 13 • 6pm, Location to be Announced

Policies & Procedures Committee

March 20 • 5:45pm, Location to be Announced

supplies. And we should always plan for financial viability, to invest in staff, operations, renovation and expansion activities that increase profitability and allow us to fulfill our vision, mission, values and strategic plan.

CO-OP FINANCES

In early November I was informed that the Co-op was facing a cash liquidity crisis – or in simpler terms – there was a chance the Co-op could run out of cash. I shared this information with the rest of the board, namely that a cash forecasting tool provided a forecasted date of December 7 to run out of cash, and that we needed to take immediate action. Thankfully, we can look back on this information with hindsight, and take a deep breath. Over the next two weeks the board and staff worked to provide clarity regarding the situation, and to gather member input. The first meeting was well attended, and the tone was incredibly cooperative. Members and staff shared dozens of ideas, both short and long-term, that we could assess and potentially put into action. The meeting opened with General Manager Melanie Bettenhausen giving background on the current financial crisis and how we came to be in this position. She also updated the board and members on actions taken by the management team and staff since the November 1 Board Meeting. These included finding an additional \$50,000 in cuts to the Co-op’s fiscal year budget, seeking opportunities to extend terms with our vendors and implementing ideas brought forward by staff at Department Head brainstorming meetings. Minutes from the November meetings are available for review on the board page of the Co-op website.

Bringing together all the ideas presented

by staff and members, the board voted to direct Co-op staff to follow up on the following ideas brought forward at the meeting. These action items were:

- Extend our current line of credit of \$149,000 to \$500,000. We have not tapped into this available line of credit at all, and it does not require using the Arcata store as collateral. However, we believe we will need more than this amount to sustain the Co-op through the holidays.
- Initiate a member donation and/or shares drive.
- Continue with the aggressive cash management strategies already taking place.

The board voted to cancel the Member Action and Earth Action Committee meetings scheduled for Wednesday, November 14 and hold an additional special board meeting in their places. Updated financials were presented at the November 14 special board meeting and the board was informed that with our current working line of credit of \$149,000 we could push through the current cash crunch. Hindsight again proves this to be correct – but at the time concern for the Co-op was heightened.

The board adopted an Expenditure Control Policy at the December board meeting. This policy, which the Board has never had before, spells out what kinds of expenditures must go to the board for approval, and which are within the discretion of the General Manager and other staff. Read the policy online at www.northcoast.coop/about_us/board/bylaw_updates.php.

GENERAL MANAGER SEARCH

An important item that came out of the November 14 special board meeting was Gen-


eral Manager Melanie Bettenhausen’s proposal that the board start a full general manager search in January, while she stays in the job through the expiration of her contract in November 2019, and that she plans to apply for the position herself. In the executive session following the meeting, the board decided to accept this proposal, and will be discussing a work plan for a general manager search at the January board meeting. The board plans to consult with staff and members about what they would like to see in a general manager candidate. This process will allow us to ensure that we have the best person available in the position before the end of next year, without the substantial risk of going without a general manager during a financial crisis.

MEMBER ENGAGEMENT


Many members, including employee members have attended recent meetings of the board. They have offered their ideas and possible solutions to pull the Co-op through this rough patch. Enthusiasm and engagement of members is one of the reasons I was excited to join the Board of Directors almost two years ago. The ability of large groups of people to generate new and exciting ideas never ceases to amaze me. And the Co-op offers the chance for member participation to directly affect the actions of the board, and the overall direction of our Co-op.

Due to the Co-op vacating the Ten Pin building in early 2019 we don’t have set meeting locations for upcoming board meetings. We do have set dates and will update the on-line calendar and board boards in stores with meeting locations as soon as they are available. ■

North Coast Co-op Board of Directors Election Results



Colin Fiske
366 votes




Leah Stamper
301 votes

Molly Robles | 298 votes
 Lisa Blandford | 275 votes
 Michael Reeves | 160 votes
 Maxwell Jones | 64 votes
 Daniel Duncan | 55 votes
 Mitch Enfield | 11 votes

Write-In Candidates
 Richard Needham | 1
 Karen Zimbleman | 1
 Jess Correa | 1
 Morgana Manning | 1

Thank you to the
787 members
 who voted!





What is the one thing you can't leave without from the Co-op?



“Satsumas!”

Allison Poklemba & baby Asa, Kneeland
Member for 10 years.



“Little River’s Mellow Mix”

Andrea Gray, Petrolia
Member for 4 years.



“A smile from at least one of the staff.”

Susan Penn, Eureka
Member for 4 years.



“Bulk foods – flour, oats, quinoa, sugar, nuts, maple syrup!”

Susan Elliot, Fieldbrook
Member for 20+ year.



“Avocado! Kombucha! Veggie Wrap from the Deli – SO delicious! Also – Co-op spirit! And seeing people I know.”

Amy Jester, Eureka
Member for 17 years.



“Right now: pomegranates.”

Dave & Frances Woody, Eureka
Member for 4 years.

The first six members to answer our featured question and let us take their picture get a \$10 gift card. Look for our table in Arcata this Spring—you could be featured next!

Local Produce Guide January | February | March

<i>Squash</i>	Jan	Feb	Mar	Farm
Carnival	●	●		Organic Matters Ranch
Delicata	●	●		Organic Matters Ranch
Jester	●	●		Organic Matters Ranch

<i>Fruit</i>	Jan	Feb	Mar	Farm
Kiwifruit	●	●	●	Pierce Family Farm
Pineapple Guava	●			Claudia's Herbs

<i>Greens</i>	Jan	Feb	Mar	Farm
Assorted	●	●	●	Little River Farm
Dandelion	●			Wild Rose Farm
Mustard	●			Wild Rose Farm

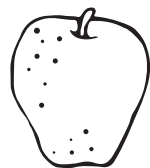


<i>Root Veggies</i>	Jan	Feb	Mar	Farm
Beet Varieties	●	●		Wild Rose Farm
Carrots	●	●	●	Pierce Family Farm
Daikon Radish	●	●	●	Willow Creek Farms
Leeks	●	●	●	Pierce Family Farm
Parsnips	●	●	●	Willow Creek Farms
Rutabaga	●	●	●	Willow Creek Farms

<i>... and more!</i>	Jan	Feb	Mar	Farm
Artichokes	●	●	●	Earthly Edibles
Cabbage Varieties	●	●		Willow Creek Farms
Gold Potatoes	●			Wild Rose Farm
Shiitake Mushrooms	●	●	●	Mycality Mushrooms
Wheatgrass	●	●	●	Flying Blue Dog Farm

Weather may affect produce availability

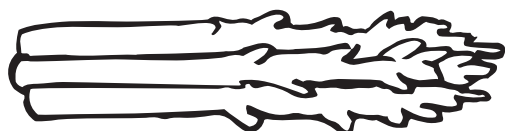
What it Means to be Certified Organic



North Coast Co-op is the first food co-op on the west coast, and the only food retailer in California north of the Bay Area, to be certified organic. We've maintained that certification since 2006. Organic certification means

that our staff are trained to maintain the integrity of the organic product they are handling. We ensure organic and conventional products never touch or "co-mingle" on a retail display or in back stock storage. When we sanitize a surface that touches food—like cutting boards, sinks, and knives—we are required to completely remove any sanitizer residue and to document when we do so. A third-party certifies that we maintain compliance with organic regulations. They audit our procedures, operations and inspect our stores every year before renewing our certification.

Simply put, we are the only store in the region that guarantees the integrity of your organic apples, broccoli, avocados, and everything else in our Produce departments from the truck to your basket. ■



<i>Where's your farmer?</i>	
Claudia's Herbs <i>in Orleans</i>	Mycality Mushrooms <i>in Fairhaven</i>
Earthly Edibles <i>in Korbek</i>	Pierce Family Farm <i>in Orleans</i>
Flying Blue Dog Farm & Nursery <i>in Willow Creek</i>	Wild Rose Farm <i>in Blue Lake</i>
Organic Matters Ranch <i>in Eureka</i>	Willow Creek Farms <i>in Willow Creek</i>
Little River Farm <i>in Bayside</i>	

Five-Year Strategic Plan



Members attending the Co-op's October Annual Membership Meeting & Celebration voted overwhelmingly to adopt the 2020-2024 Strategic Plan. The plan details six goal areas that reflect the vision, mission and operational needs of the Co-op, along with strategies to achieve those goals.

STRATEGIC PLAN GOAL AREAS:

COMMUNITY HUB - Strengthen our position as the most welcoming, accessible, and affordable place to buy healthy, quality, organic, and local food.

RACIAL AND SOCIAL EQUITY - Diversify the makeup of our leadership positions and ensure we confront inequity and inequality in our operations and in our community.

ENVIRONMENTAL RESPONSIBILITY - Improve environmental practices focusing on reducing waste, energy consumption and greenhouse gas emissions while engaging consumers and vendors in low-impact shopping.

COOPERATIVE ECONOMY - Foster and develop new cooperative ventures with active community leadership and education regarding the cooperative movement.

ROBUST LOCAL FOOD SYSTEM - Increase autonomy over the production and distribution of food supplies and ensure our local food system continues to expand, uses sustainable practices and is culturally relevant.

FINANCIAL VIABILITY - Invest in staff, operations, renovation and expansion activities that increase profitability and allow us to fulfill our vision, mission, values and strategic plan.

Read the full plan on our website for the benchmarks and strategies to achieving each of these goals
www.northcoast.coop/about_us/board/strategic_plan.php

HOW WE GOT HERE:

Creating the Co-op's Strategic Plan was a nearly year-long effort to secure member input and involvement in the final product. The first step was to host a Vision & Goals Kick-Off Event in March 2018. Members were invited to a facilitated brainstorming session to get the planning process started. During that event we accepted nominations for member-participants to join staff and the board on a committee to head up member-input efforts. The committee recommended and implemented a member survey. The survey responses and feedback at meetings were used to come up with the goal areas and strategies. The plan was then written by the General Manager and returned to the committee for input before it was sent to and approved by the board, and finally the membership.

WHAT COMES NEXT:

We get to work. Operational plans and budgets are being written for the next two years. The strategic plan goals and strategies will be written into all planning measures to ensure that steady steps are taken toward achieving our final five-year goals. The Co-op's General Manager will report to the board quarterly on progress made toward our strategic plan goals.

Thanks to our members for their help in creating the road map that will help guide the Co-op through the next five years!





FARM FEATURE

Earthly Edibles

Farm Name: Earthly Edibles

Farmer: Ed

Location: Korbel

Acres: 14

How did your farm get started?

It started as basically a big garden where I lived. And I was working with Paul Giuntoli at Warren Creek Farms for 11 years. He was very supportive and let me borrow tools. I was kind of a gypsy farmer moving around a lot until I got this permanent space.

What kinds of crops do you grow?

Watermelon, winter squashes, butternuts, broccoli, basil, zucchini, green beans, sweet corn, artichokes, cantaloupes, heirloom tomatoes, lettuce, Walla Walla onions.

What is your favorite part about farming?

Just being outside and growing food for the community. Those are probably the most important things.

What about your farm are you most proud of?

The dry farming aspect. Environmentally, it's the least impactful way to farm. Less water, manure, stuff you use. And the wild look of the farm, too. To some farmers it might look messy or overkept but I kind of like having the overgrown look of the perimeters.

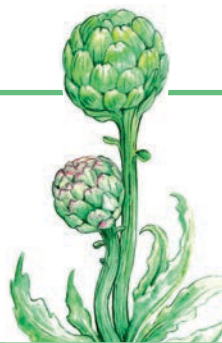
What's your favorite crop and why?

Growing wise, my favorite is artichokes because they're hip-high. We have these special backpacks where you cut the tops and toss them in the pack. Flavor wise, hands down, is our watermelon. They're super sweet and crispy. They have almost a tropical flavor to them.

How has working with Co-op impacted your farm?

It's been awesome. Of all the accounts we see, I think the Co-op has really pushed for the importance for local and organic. And they were the first—back in the day they helped farmers get going. They guarantee security out of our accounts.

Learn How to Prepare Artichokes on page 19



Opposite Page: Workers at Earthly Edibles plant rows of crops, June 2018.
Photography by Zev Smith-Danford



Know Your Store – Department Highlights

North Coast Co-op is more than just a grocery store. Since 1973, the Co-op has prided itself on offering the best produce selection in Humboldt County, quality local foods and goods and service in every department.



Bakery

- Rise and shine! We start our day before the sun is up baking bread, and 100's of other sweet and savory Co-op recipes
- Special ordering available for cakes, pies and pastry platters and everything else we bake
- We use organic flour, butter and eggs and bake up vegan and gluten-free options every day

Bulk

- More than 500 bulk food items from baking soda to granola to ramen noodles
- More than just food: shampoo, laundry soap, skin cleansers, dog treats and wellness herbs are available in Bulk
- Want 25lbs of rice, quinoa or your favorite coffee? We can order it



Coffee Bar – Espresso, Juice and Smoothies

- Locally-roasted self-serve coffees and fair-trade organic espresso. Organic milk and milk alternatives - never an extra charge
- Juices and smoothies made fresh to order with organic fruits and vegetables
- Save 25 cents each and every time you bring your own cup



Cheese

- Hundreds of hand-picked cheeses ripened, cut and wrapped from the round
- Cheese buyers with thirty years' experience in selecting, pairing and ripening cheeses
- We'll put a cheese platter together with you. Add antipasto, cured meats and nuts.



Customer Service

- Staffed customer service desk all store hours
- Place special orders and case orders – even for items we don't carry
- Member services – including share purchases and contact updates



Deli

- Everything made fresh daily in-house from the burritos to soups to salad dressings with organic and seasonally local ingredients
- Ingredients posted for everything we make
- Daily selection of gluten-free, vegetarian and vegan options
- Try it first. Ask for a sample. Any time



Grocery & Dairy

- Full range of soy foods and dairy alternatives
- Co+op Basics pricing guarantees the best prices on the best quality everyday items like milk, beans and tofu, cereals and juices
- Forty-five years of supporting local food entrepreneurs. Look for the local tags in aisles



Beer, Wine & Spirits

- Local and seasonal beers and hard ciders from dozens of craft brewers
- Start-to-finish beer, wine, cider and kombucha brewing supplies in our Arcata store
- We taste the wine before we offer it in the store and can give tasting notes and food pairings
- Mix and match six bottles of wine or spirits for a 10% discount, or 12 for a 15% discount



Meat & Seafood

- Experienced butchers break down whole beef and lamb
- Request meat cuts to order – for special occasions or any day
- Friendly, full-service meat counter and the convenience of wrapped meats

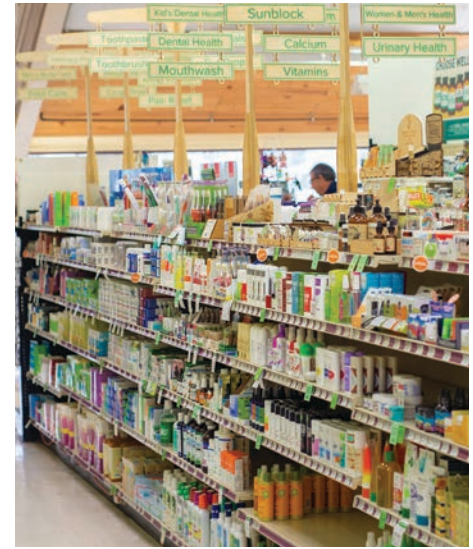


Garden & Gift

- Local family-farm plants and flowers and bouquets arranged by staff
- Best selection of veggie and flower starts in planting season
- Book selection curated by local bookseller

Wellness

- First Wednesday of the month 10% discount on all Wellness products
- Special orders and 10% case discounts
- Not just products – service. Staff have thirty years of combined experience in natural wellness products, herbs and body care



Produce

- Our organic certification guarantees organic integrity from the truck to your basket
- We work directly with local farmers to ensure the best organic quality at the best prices
- Try it first. Ask for a sample. Anytime
- Organic produce specials every week

Staff Picks: *Favorite Winter Co*



"Something that I've been doing is baked brie with a sourdough baguette."
- Chris, Sr. Clerk, Eureka

"I cook a lot of organic Mary's chickens. Also I like to get the frozen Celebration Tamales."
- Sallie, Floral Sr. Clerk, Arcata



"Potato bacon casserole."
- Thomas, Cheese Department, Arcata



Comfort Food You Like to Cook

ganic
Also
rozen
les."
l
ta



"Japanese curry."
- Danielle, Wellness
Department Head,
Arcata

"I've been checking the
new pre-wrap meat case in the
Meat Department and getting fish
and meat from the reduced price
section. It's more affordable."
- Kippen, Cashier,
Eureka



"Cooking turkey and using it
for turkey soup, dumplings...
keeping it going for different
meals." - Nicole,
Sr. Clerk, Arcata



"Potato leek soup."
- Jessica, Grocery
Clerk, Eureka



Zero Waste Starts With You

Tips for starting the new year on a sustainable foot

SHOPPING HABITS

Shopping with less waste in mind often requires some planning. One way to shop that reduces waste is to loosely plan what you'll eat over the next few days. By having a loose menu that includes all your meals—not just dinners—you're able to buy what you'll be eating. This eliminates overbuying, which saves money and food from going bad at home. Don't forget to bring your own bag for extra savings and a sturdier walk home or to the car.

EATING OUT

Heading out to grab a coffee and a scone? Chances are you'll have the opportunity to use your own cup for your beverage, and even get a discount doing it! Going to a big dinner? Consider bringing a container to pack up your own leftovers—tomorrow's lunch is already packed!

BEING PREPARED

Preparation is key for a lot of zero-waste opportunities. When leaving the house every day, whether your adventure takes you to work, classes, the park, and everywhere in between, having a few reusables (bags, mugs, containers) as part of your belongings comes in handy.

BRINGING YOUR OWN CONTAINER

Whether you are filling up in the Bulk Department or Deli, there are only a few, simple steps to bringing your own containers for shopping. The most important step is getting the tare weight of the empty container **before** you fill it with anything. Getting the tare weight should be done at the official scales used at registers—ask Customer Service to determine the weight for you.

PARTICIPATING IN COMMUNITY OPPORTUNITIES

Have you noticed an increase in recycling and composting bins around the area? It might take a moment to determine which bin your waste can go in, but sorting your scraps in their respective places will reduce the number of items unnecessarily ending up in the landfill.

UNSUBSCRIBING FROM JUNK MAIL

Do you receive mail that is not meant for you? Instead of tossing it, simply writing "Return to sender" on the envelope and sticking it back in the mail will let the Post Office take care of the excess paper trail. To stop receiving junk mail like prescreened offers of credit and insurance, you can opt out of receiving them for five years or opt out of receiving them permanently by calling toll-free 1-888-5-OPT-OUT (1-888-567-8688) or visiting www.optoutprescreen.com.



Featured Produce: Artichokes

by Joey Beasley & Paul Wright, Produce Department Heads

EUROPEAN IMMIGRANTS BROUGHT ARTICHOKEs to the United States in the nineteenth century, first to Louisiana and later to the coastal regions of northern California, where the cool, foggy climate has proven ideal for their cultivation.

A single artichoke is the unopened flower bud from a thistle-like plant. Each cone-shaped bud consists of overlapping outer petals that are tough and inedible at the tip, but tender at the base; an inedible

choke and the edible artichoke heart.

Artichokes are low in calories and full of nutrients like fiber, vitamin C, folate and magnesium. They also contain some of the highest levels of disease-fighting antioxidants among fresh vegetables. ■

HOW TO PREPARE AND EAT AN ARTICHOKE

1. Wash artichokes under cold, running water.
2. Using a soft kitchen brush or cloth, brush down the artichokes to remove the bitter, natural film on the outside of the petals.
3. Remove the lower petals and cut the stem even with the bottom of the artichoke.
4. Cut the top inch off the artichoke using a serrated knife.
5. Set the artichokes in the bottom of a pot. Add 1-2 inches of water. Bring water to a boil and turn down heat so the water remains at a low simmer. Cover pot and cook for 25-45 minutes, depending on the size and number of artichokes. To test for doneness, pull on a leaf. If it comes away from the artichoke easily, it's done.
6. To eat artichokes, pull off the outer petals one at a time and dip the white, fleshy end in melted butter or sauce. Place in your mouth, dip side down, and pull through your teeth to remove the soft, pulpy portion of the leaf. Discard remaining petal. As you get near the center, the petals

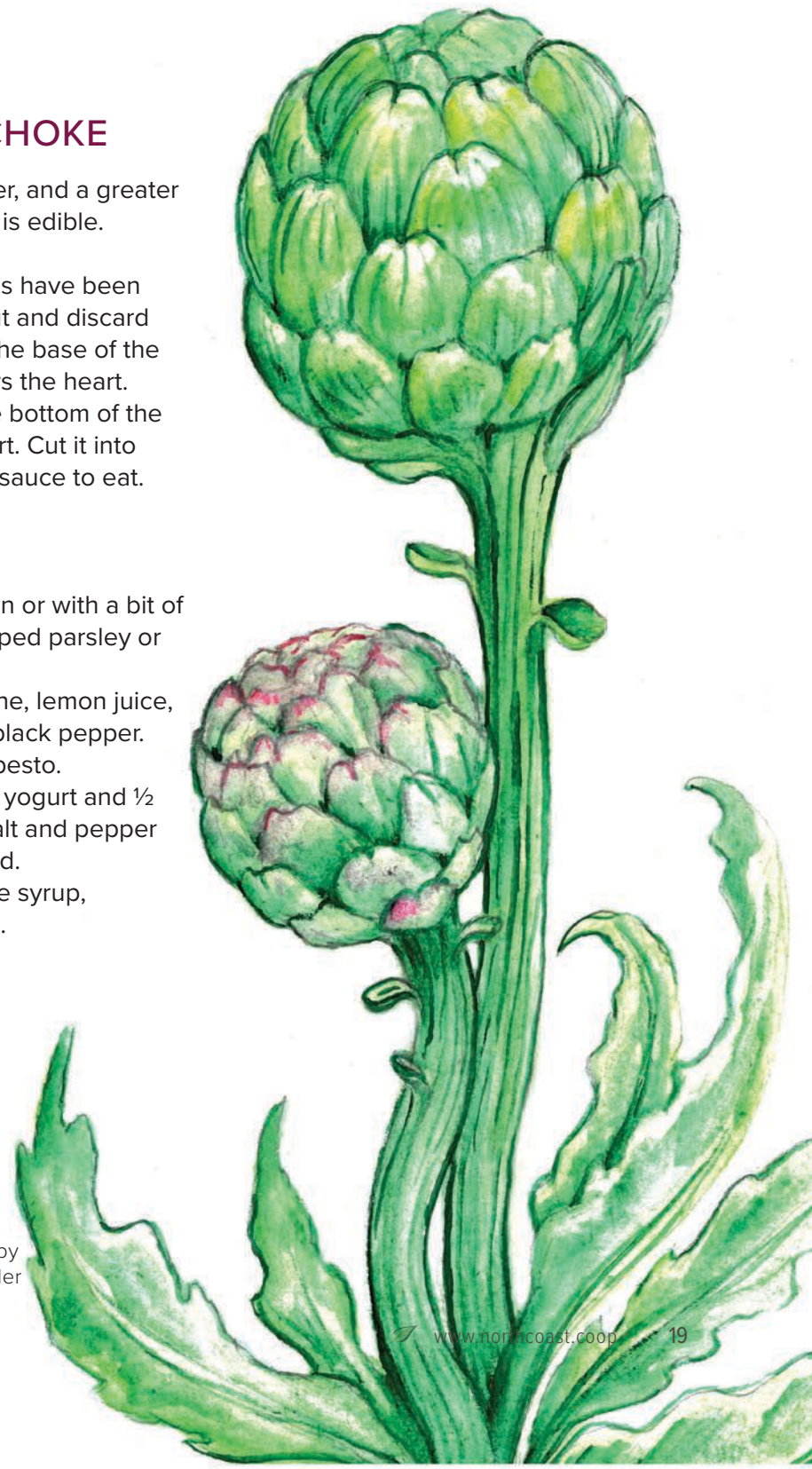
become more tender, and a greater portion of each leaf is edible.

7. Once all the petals have been removed, scrape out and discard the fuzzy choke at the base of the artichoke that covers the heart. What remains at the bottom of the artichoke is the heart. Cut it into pieces and dip into sauce to eat.

DIP IDEAS:

- Melted butter, plain or with a bit of minced garlic, chopped parsley or mint.
- Olive oil, white wine, lemon juice, garlic and cracked black pepper.
- Plain yogurt with pesto.
- Mayonnaise, or ½ yogurt and ½ mayonnaise, with salt and pepper and herbs as desired.
- A mixture of maple syrup, mustard, and tamari.

Illustration by
Caitlin Fowler





Crusty, No-knead Bread

by Laurie Talbert, Marketing & Membership Director

Who can resist the smell of fresh baked bread on a cold winter day? This crusty artisan bread is no-fail, even for the yeast challenged.

INGREDIENTS

- 3 cups + 2 Tablespoons all-purpose flour
- 1-3/4 teaspoons salt
- 1/2 teaspoon dry Rapid-Rise yeast
- 1-1/2 cups cool water

INSTRUCTIONS

1. In a large mixing bowl, combine flour, salt and yeast.
2. Add water and mix until all the flour is incorporated. It will look bumpy and shaggy. It's supposed to.

3. Cover with plastic wrap and leave at room temperature for 12-18 hours.

4. The dough will appear sticky and bubbly but will pull away from the side of the bowl.

5. Preheat oven to 450 degrees. Place an oven-proof, lidded pot in the oven and heat it for 30 minutes.

6. Dump your dough onto a heavily floured surface. Form into a ball, place on a sheet of parchment and cover with plastic wrap. Let the dough rest while the pot is heating.

7. Pull the pot from the oven and lower the parchment and dough into the pot. **Careful – the pot is hot!** Put the lid back on and return to the oven for 30 minutes. Remove the lid and bake an additional 15 minutes or until browned.

8. Lift the bread out using the parchment and let cool.

OPTIONS:

Add flavor ingredients when you reach the 'form into a ball' stage, avoiding liquids. Try shredded parmesan and chives or cinnamon and raisins.



Photography by Caitlin Fowler

Compound Butter

A compound butter can turn a good crusty bread into an irresistible treat. Compound butters are simply a mix of butter and other flavorful ingredients. Try the sweet and savory options here or create your own.

Honey Orange Cinnamon Butter

INGREDIENTS

- 1 stick (1/2 cup) unsalted softened butter
- 1 Tbsp fresh-squeezed orange juice
- 2 Tbsp raw honey
- 1 tsp ground cinnamon
- Zest of one orange

Garlic Herb Butter

INGREDIENTS

- 1 stick (1/2 cup) unsalted softened butter
- 4 Tbsp mixed chopped herbs – parsley, rosemary, thyme, oregano and basil – your choice
- 1 clove minced garlic
- 1-1/2 tsp lemon juice
- 1/2 tsp salt
- 1/4 tsp black pepper

INSTRUCTIONS

1. Whip the butter with a whisk or in a food processor until just fluffy.
2. Add the remaining ingredients and whisk or process until fully blended.
3. Keep in an air-tight container in the fridge for up to two weeks or in the freezer for several months.

Co-op Clam Chowder

by North Coast Co-op

The Co-op's Friday Clam Chowder has a loyal following. If you have a craving for it and don't want to wait until the end of the week, we've pared our recipe down to family-size, so you can make at home.

INGREDIENTS

- 4 cups diced red potato, with the skins scrubbed (or peel them if you like)
- 2 Tablespoons butter
- 2-1/2 cups diced yellow onion
- 2 cups diced celery
- 2 Tablespoons dried basil
- 2 teaspoons dried thyme
- 1 teaspoon black pepper
- 2 teaspoons salt
- 1 bay leaf
- 24 fl. oz clam juice
- 1/4 cup butter for roux
- 1/4 cup flour
- 3 - 10 oz jars boiled clams, drained or an equal amount of fresh boiled clams
- 1/4 cup chopped parsley
- 4 cups half and half
- 1 tsp Worcestershire sauce
- hot sauce to taste

INSTRUCTIONS

1. Scrub or peel and dice the potatoes and set them aside in water to soak.
2. Sauté onions and celery in 2 Tablespoons butter in a large cookpot. Cook until soft.
3. Add basil, thyme, black pepper salt and bay leaf. Cook for 1-minute stirring constantly.
4. Add the clam juice and drained potatoes. Bring the soup to a boil, stirring often.
5. Lower heat and simmer for 20 minutes, or until potatoes are tender.
6. Meanwhile, melt 1/4 cup butter in a medium sauce pan.
7. Gradually add flour to create a roux. It should pull away from the pan as you stir. Allow the roux to turn a golden brown and remove it from the heat and set aside.
8. Slowly whisk the roux into the soup. Raise the heat and stir often, allowing soup to thicken.
9. Add the clams and the parsley and gently simmer 5 minutes more.
10. Slowly stir in the half and half and Worcestershire. Bring back to a gentle simmer to heat through.
11. Add hot sauce to taste.



What is Roux?

Roux (pronounced "roo") is a thickening agent for soups and sauces made with equal parts fat and flour.

Photography by Caitlin Fowler



Favorites from our Kitchen

To celebrate our love for our in-house Deli, making delicious meals from breakfast through dinner for our community, we asked some of the Deli team what their favorite Co-op Deli item is and what makes it special.

Photography by Zev Smith-Danford

Joshua, Deli Clerk, prepares custom sandwiches at the Arcata store.



Dylan, Deli Clerk, and Steven, Assistant Production Manager, prepare breakfast items in the Eureka Deli kitchen.



Bourke, Deli Production Sr. Clerk, cooks Co-op chicken pot pies in Arcata.



“I really enjoy our Chicken Pot Pies. The ingredients are prepared from scratch, using our organic chicken and veggies. They are scrumptious!” —Sandra, Baker

“The Chicken Chipotle Burrito is delicious and filling. My husband and I sometimes share one for a meal. A great value.” —Crystal, Deli Clerk

“Too many to choose from... the first thing that comes to my mind is Popcorn Tofu. I’m very picky about tofu, but since it’s fried, for some reason, I love it. Dipped in our Chipotle Aioli sauce it’s delightful” —Rebecca, Deli Sr. Clerk



“Kung Pao Tofu, the fried tofu really makes it because after it soaks up the sauce it still has great texture and flavor!” —Annie, Deli Clerk

“The Bacon Barbeque Meatloaf is just amazing!! All the extra spices and the finely chopped veggies make for lots of great flavor!!” —Fernando, Deli Clerk



Letha, Deli Baker, and Bourke, Deli Production Sr. Clerk, holding up pot pie crusts made by Letha in the Bakery.



Crystal, Deli Clerk, packs down deli items into to-go containers at the Eureka store.



Tony, Deli Cook, prepares veggie breakfast burritos.



Bourke cooking Italian Greens with White Beans for the Wednesday lunch menu at the Deli hot bar.

“Bomb Broccoli Salad, because it’s simple, easy to make, and healthy!” —Drake, Deli Sr. Clerk

“I like the Awesome Chicken Salad because it is different from any chicken salad I’ve seen or had. The curry and rice really make it unique and it all comes together deliciously” —Grace, Deli Clerk

“Coconut Chicken Soup, I like the fresh lemongrass” —Sierra, Deli Cook

From the *Co-op News* archive It all started as a buying club...

Originally written by Ava Kahn & Cindy Stapenhorst

I CAME TO ARCATA IN JULY 1972. In August I heard there was a buying club organizing so I checked it out. It was a small office with a desk and a phone and a guy. Al Capone's is there now. This guy was Jeff Schweitzer and he said he was just getting it together though there were members already. A membership cost \$7.00 and then you could order food on Wednesday and pick it up Saturday. Well, there were no price lists and no food and it didn't look together enough yet so we said we'd wait a while. Jeff left and Stephen Avis came up from Palo Alto where he'd work for their co-op. He decided we needed a store front with food on the shelves so in Nov., Nov. 6 to be exact, he bought some 350 dollars worth of groceries from a defunct market in McKinleyville with a personal check. By Feb., the store was in 1063 G Street where the Soup House is now. In March Stephen started ordering from Associated Co-ops. There were three orders in April alone – each over \$700.00.

Then some trouble started and Stephen Avis left, taking his co-op connections with him. Ruth Balf had been working with Stephen and now she was left managing. There were people around who really wanted the store to go so there were meetings. The meeting where it was decided to incorporate as Arcata Co-op was attended by 20 voting members, many of whom are still around. They decided to make it go. We broke with the past management of the store – opened a different bank account so we could control the money. By now the Associated Co-op canned goods were gone and the store was existing on Foremost cheese which we bought in blocks and cut and wrapped ourselves. At this time – May 1973 – there were just a few people keeping the store alive. We did \$85.00 worth of business on May 29. \$72 on May 30. \$40 on May 31. \$105 on June 4 (Food Stamps always have been a big share of our business). There was one member, Steven Newmark who believed in taking chances. He called Dale Landing Produce Wholesalers in Eureka and ordered some fruit. This was June 25 and the order was for 1 box of cherries (20 lbs); 1 box of pink

grapefruit (40 lbs); 1 box of oranges (88 lbs); 6 pineapple, and 15 dozen eggs at 58 c per dozen. This order totaled \$38.45 and was a large risk at the time. The store had only two small donated refrigerators to sell dairy and cheese out of so the produce sat all day and night. Steven brought it home and put it in his refrigerator after picking over the cherries one by one to get rid of spoiled ones and keep losses down.

Slowly the store grew – people always buying whatever we could get in there. We made a deal with the International Peasant to bake us 6 loaves of bread a day. Steven drove to Associated Co-ops in Richmond and with \$200 of his own money he filled his car trunk with Co-op peanut butter, margarine, flour, bonit. It sold and the money was reinvested in more stock. There was always so little in the store, people came in and found nothing to buy. We thought about hooking up a refrigerated case for produce and found the building we were in had concrete floors making drainage impossible. We had no money to move but the Seeley Titlow building was being vacated. They were selling out their stock. Some of us went over to look at the building. It was gigantic! All our shelving end to end wouldn't reach from the front to the back of the store. We didn't have enough for one aisle! Still we dreamed about how neat it would be – but we had no money. Again Steven Newmark took a risk. With his own money, he leased the Seeley Titlow building, paying rent for two months. When he told us – Ruth, Jim Johnson, and myself, we all thought he'd made a mistake. He was overextending. Rushing things. He said – “Well, the building is there and it's paid for if you want it.” We did. In three days we cleaned it, painted it, and moved the store. We wheeled the produce cases down the street. We trucked over the stock in the nine grocery carts. Sure glad it was downhill! Getting the store together was a big job and a lot of people gave of themselves to make it possible. There were a lot of aching backs and sore muscles and plenty of smiles too. We decided to make two aisles and leave space between the check out stands and the beginning



of the aisles. One third of the store was empty. The shelves we had weren't full. We still had the two little refrigerators and we hooked up one produce case as soon as we got enough membership fees. This was August. There were three volunteers running the store, the bathroom was much too far away. You had to ask a customer to watch the store for you. Well we made enough to pay the rent and all the new bills and loans. This community wanted a Co-op and that store really grew. Incorporation came at the end of August and September saw the store really take off. We began paying employees after four months in the new location. Ruth had gotten us contacts with wholesalers in Berkeley, San Francisco, Oregon, and San Jose. All the money made was put back into stock increases – growth was vital.

All we were concerned with was getting food – not trucking or wholesaling or dealing in bulk. We have been forced by the needs of this community to expand into these related areas. The Co-op is looking toward food production at this point.

I have really felt the Co-op grow. It used to be small enough for a very few people to really feel themselves as the impetus. This is no longer true. The Co-op is bigger than any few individuals. It has a force of its own now.

It is now May 1975. The Arcata Co-op is a retail storefront grossing \$80,000 per month, a Bulk Food Center grossing \$13,000 per month, owns and operates its own truck, is equipping a bakery (with more plans for food production), pays 18 employees \$2.75/hr plus medical/dental benefits, has an educational program that is consistently expanding, and a committee that is involved in community services. There are 650 numbered memberships representing approximately 1,200 members. Even though the Co-op does seem to have a force of its own, it still must be responsive to its member-owners. As the Co-op expands and diversifies, it allows for much broader base for community input and participation. Every member should be encouraged to use the Co-op as a vehicle for effecting and implementing changes and ideas. ■

Second Quarter Financial Statements

by Barney Doyle, Controller

NORTH COAST CO-OP CLOSED FISCAL QUARTER 2 2019 (FY19) on September 22, 2018. Combined sales in the 2nd quarter for the Arcata and Eureka stores were \$8,529,789, bringing year-to-date net sales to \$17,214,052.

Year to year, 2nd quarter FY19 sales were down \$141,341, a 1.6% drop compared to the second quarter of Fiscal Year 2018 (FY18). Cost of Goods Sold were also lower in the second quarter of FY19, resulting in a slightly higher gross margin. Despite cutting Payroll Expense in second quarter FY19, Total Operating Expenses were higher compared to FY18 due to higher Benefits and General & Admin-

istrative Expenses during second quarter FY19. Expenses exceeded Gross Margin resulting in a Net Income Loss of \$392,914 for the second quarter of FY19, bringing year-to-date net income to a negative \$733,738. However, it was determined that payroll, payroll taxes and benefit expenses originally posted to the first period of FY19 should have been posted to the fourth quarter of FY18. The audit conducted in December 2018 will determine the final, correct amount, which will eliminate any income taxes due for FY18 and reduce the net loss for FY19.

The Co-op's assets were slightly less at the

end of second quarter FY19 compared to FY18 by \$104,439 due to less cash on hand and remaining equipment purchased for the 'on-hold' Eureka store remodel. Owner shares rose to \$3,509,682, an increase of \$59,440 at the end of FY19 second quarter.

The Co-op raised the dividend rate for C-Shares from 2.00% APR to 2.65% APR effective December 23, 2018. Please call our Membership Coordinator at 707-822-5947 ext. 234 if you are interested in becoming more invested in the Co-op. ■

North Coast Cooperative, Inc. Unaudited Financial Statements

Income Statement

Quarter 2 Ending September 22, 2018
Fiscal Year 2019

Net Sales Revenue	8,529,789
Cost of Goods Sold	5,427,221
Gross Margin	3,102,568
Payroll & Benefit Expense	2,417,096
General & Administrative Expense	622,255
Occupancy Expense	444,073
Total Operating Expenses	3,483,424
Net Income from Operations	(380,856)
Other income (expense)	(12,058)
Total Income Taxes	-
Net Income (Loss)	(392,914)

Balance Sheet

Quarter 2 Ending September 22, 2018
Fiscal Year 2019

Assets:	
Current Assets	2,396,347
Property & Equipment	3,257,847
Other Assets	564,071
Total Assets	6,218,265
Liabilities:	
Current Liabilities	2,202,060
Long-term Liabilities	409,298
Total Liabilities	2,611,358
Member Equity:	
Current Owner Shares	3,509,682
Retained Earnings	97,225
Total Member Equity	3,606,907
Total Liabilities & Equity	6,218,265

New Controller Announced

by Melanie Bettenhausen, General Manager

THE CO-OP IS HAPPY TO ANNOUNCE that Barney Doyle has joined the Co-op as its new controller. An intensive search for qualified candidates began after our previous controller departed in the spring of 2018. Barney's 25-years' experience, his knowledge of the Co-op's accounting software and his budget planning skills made him the ideal candidate.

Barney began his job in earnest from his home in Louisiana in November, studying the Co-op's books and procedures and working with our interim accounting firm. His first week working in Arcata in early December was spent with the auditors who review our finances each year. It has been a quick immersion into the world of the Co-op's finances and the challenges and nuances of the cooperative business model.

While new to a food co-op, Barney has worked in the food business in the past, managing the accounting for a long-haul produce delivery service and as the founder and owner of a wine shop and tasting room.

Barney was excited by the chance to return to the area. "It was an opportunity to return to Northern California, be closer to family and friends, start a new adventure in a healthier environment, and be challenged again by working in a new industry," he said. Welcome, Barney! ■



Dividend Rate Increase

AT THE DECEMBER 2018 BOARD MEETING, the Co-op's Board of Directors voted to increase the dividend rate paid to C-Share holders on their investment. The rate increased to 2.65% APR at the start of the fiscal fourth quarter on December 23, 2018. The change was made to ensure that the Co-op's rate remains competitive with the rate offered by local credit unions and banks.

All Co-op members hold a single A-Share, valued at either \$25 or \$10 depending on when they purchased their membership. Any member of the Co-op can invest in additional B or C-Shares, sold in \$10 increments. At the \$300 B-Share investment level members become Fair Share members and are eligible to invest in dividend earning C-Shares. Dividends accrue quarterly, and members receive quarterly statements of their accrued earnings. Dividends are paid out annually in April or May, following the Co-op's fiscal year end. If the amount of the annually accrued dividend is less than \$50, the earned dividends accumulate in the member's C-Shares. If the annually accrued dividend is greater than \$50, members can choose to have a check issued or to reinvest the earned dividends.

Because C-Share dividends can be taxable income, members choosing to invest in C-Shares for the first time need to meet with the Co-op's Membership Coordinator to receive and complete IRS and other documents.

North Coast Co-op has just one membership class and all members have the same rights of membership, regardless of their investment level. We appreciate and rely on every one of our members for their dedication and support of the Co-op. Thank you! ■

Thank you!

We are humbled by, and sincerely grateful for the show of support from our members, shoppers, employees, farmers, food producers and the community at large during a challenging financial time. When you shop at the Co-op, you are supporting:

- An alternative business model based on democratic, community ownership
- More than 200 local farmers and food producers and their suppliers
- Competitive pay and generous benefits for more than 200 employees
- Business leadership in social and environmental responsibility
- The best tasting local and organic produce on the North Coast!

Thank you from all of us here at the Co-op. We wish you a healthy and happy new year!



Wellness Wednesday

All Co-op members and shoppers receive
10% off the entire Wellness Department,
every first Wednesday of the month at
North Coast Co-op!

Feb
6

Mar
6

Apr
3



Co-op Kids Corner

Connect the dots

Enter our Co-op Kids Activity Contest for a chance to win a **\$10 Co-op Gift Card!**

Connect the dots, color it, and tell us what kind of veggie is pictured! Return this page to Customer Service at either Co-op location by **March 15** to enter. One winner from each age group will be drawn!

Age groups:
5 years and under
6 - 12 years old



Which veggie is pictured?

Full Name: _____

Phone Number: _____

Age: _____

Congratulations to Alma & Noah, and Asha for winning the Fall Co-op Kids Contest!



Brrr... it's cold in here!

expires 3/31/19

MEMBER-ONLY COUPON

10% off Frozen Foods

MEMBER NUMBER _____

Single purchase only; coupon may only be used by North Coast Co-op members; limit one coupon per membership; coupon available while supplies last; Excludes bulk frozen products and frozen meat.

Coupon expires 3/31/19.

Not a North Coast Co-op member? Visit Customer Service to join!



North Coast Co-op Management Team



Melanie Bettenhausen
General Manager



Jason Davenport
IT Manager



Barney Doyle
Controller



Lauren Fawcett
Food Service Director



Alisha Hammer
Merchandising Manager



Alanna LaBelle
Operations Manager



Travis Morgan
Facilities Director



Michelle Sanders
Human Resources
Director



Laurie Talbert
Marketing & Membership
Director

North Coast Co-op Board of Directors



From left, clockwise

Ed Smith
Employee Director

Colin Fiske
Board President

James Kloor
Board Treasurer

Cheri Strong
Employee Director

Leah Stamper
Board Secretary

Mary Ella Anderson
Board Member

Robert Donovan (not pictured)
Vice President

We love to hear from you!

Whether you have a product recommendation or a comment about our stores, there are many ways to let us know:

ARCATA
(707) 822-5947

EUREKA
(707) 443-6027

info@northcoast.coop

You can also come to either store to speak to Customer Service or write a comment for our in-store comment board.



Calendar of Co-op Community Events

www.northcoast.coop/calendar

January

January *Coats for the Cold.* Both Co-op stores are drop-off locations for new or gently used coats during the entire month of January to give to those who cannot afford them.

January 29 *CCF Check Ceremony.* The annual granting ceremony event congratulates and presents checks to representatives of local nonprofits who were awarded Cooperative Community Fund grants this year.

January 22 *Redwood Jazz Alliance Concert.* Peter Bernstein, Larry Goldings, & Bill Stewart Trio 8pm at the Arcata Playhouse.

February

February 6 *Wellness Wednesday.* Everyone is invited to enjoy 10% off their entire Wellness Department purchase.

February 28 *Redwood Jazz Alliance.* Redwood Jazz Alliance Concert. Charles McPherson Quartet 8pm at the Fulkerson Recital Hall, HSU.

March

March 1-2 *Bowl for Kids Sake.* Raise money for Big Brothers Big Sisters of the North Coast by bowling. This year's theme is Hollywood Bowl.

March 6 *Wellness Wednesday.* Everyone is invited to enjoy 10% off their entire Wellness Department purchase.



Member Survey

Win a \$35 gift card!

Q: What grocery items do you buy elsewhere that you can't get at the Co-op?



Member Name: _____

Member #: _____

Phone #: _____

Detach this entry form and return it to the Member Survey box located near Customer Service at either store location. Be sure to include your name, contact information, and member number so that we can contact you if your entry is drawn. You can also send your ideas to co-opnews@northcoast.coop with "Member Survey" in the subject line. Must be a member to enter. One entry per member. Co-op employees and their families are not eligible to win. **Enter by March 31, 2019.**

TAKE & BAKE PIZZA

Available at both stores!

Made in-house from scratch



Made in-house from scratch with our own sourdough crust, homemade organic sauces, & artisan toppings



ARCATA LOCATION

811 I St., Arcata
(707) 822-5947
Open daily: 6am to 9pm

EUREKA LOCATION

25 4th St., Eureka
(707) 443-6027
Open Daily: 6am to 9pm

THE COOPERATIVE PRINCIPLES:

Voluntary & Open Membership, Democratic Member Control, Member Economic Participation, Autonomy & Independence, Education, Training & Information, Cooperation Among Cooperatives, Concern for Community

Sharing the love

Before recycling this copy of Co-op News, please pass it along or share it with a friend or neighbor.