

Ends Monitoring

April 1, 2016

POLICY TITLE:

E. Global Ends Policy - VISION

ADOPTED: January 7, 2005 Revisions: 1/7/05, 12/19/06; 1/26/10.

The People's Food Cooperative of Kalamazoo exists to create access to food that is healthy for people, land, and the economy.

Introduction:

I have been slow to put this report together, mostly due to the challenges of the impact on PFC major shifts in the Kalamazoo natural foods market with the introduction of Earth Fare. This shift in the market has resulted in a decline in sales, increased staff turnover including the loss of several staff to Earth Fare and Costco, and a fundamental refocusing of our messaging and store operations including signage, pricing, and product selection. I am pleased with the results of this work.

Our ownership sees our Ends as an important part of why we exist. It's truly the difference we make in the community, and it is perceived as valuable. In our latest shopper survey, respondents were asked to indicate the importance of the Ends to them, and rate how well they feel we're doing at achieving our Ends. Here is that data:

Figure 13: Importance of People's Food Co-op's Ends Policy to Shoppers

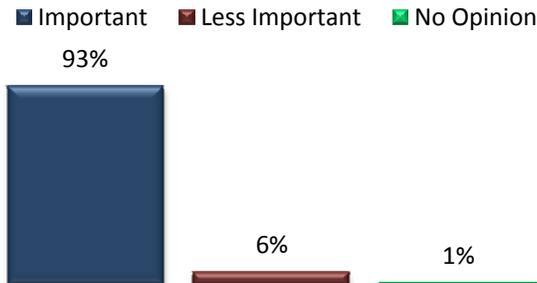


Figure 14: How Well Is People's Food Co-op Achieving Ends Policy?



So, 93% of respondents feel that our Ends are important or very important, and 83% feel we're achieving those Ends well or very well. To me that shows that our Ends is still perceived as very relevant to our community. Our execution on those Ends is perceived as mostly successful, with some room for improvement. I plan to work through the areas we have for improvement through this report.

It is within this context that I'll lay out my 2015 Ends report. As usual, I will start with interpretations/operational definitions of each aspect of the Ends, this time including reporting on sub-Ends as part of the relevant portion of the Ends statement. For example, my reporting on **healthy for the economy**, will include data on the sub-End: **Local jobs exist in our community**.

Also, as a point of clarification, this will be my final report using the Ends and sub-Ends that were created before we tweaked the language at our October 2015 Ends retreat. That is, in this report I am monitoring this language:

People's Food Co-op exists to create access to food that is healthy for people, land and the economy.

Because of PFC:

E.1.1 - Bridges exist between Kalamazoo's multiple diverse communities.

E.1.2 - Kalamazoo is a food sovereign community.

E.2.1 - There is a healthier ecological system.

E.3.1 - Cooperative business exists in our community.

E.3.2 - Local jobs exist in our community.

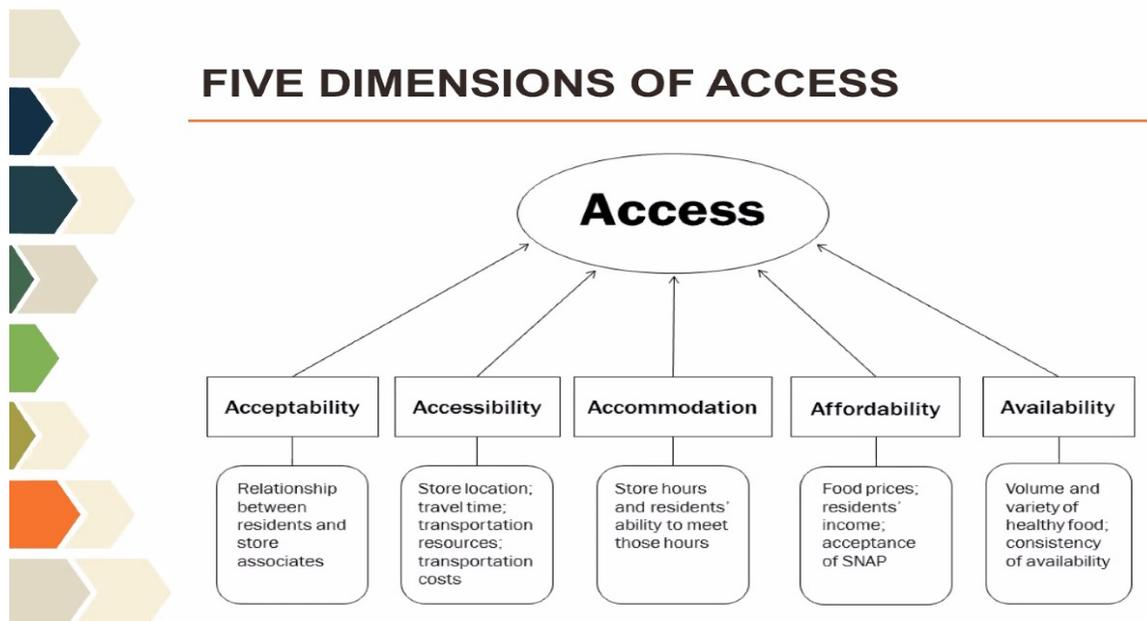
E.3.3 - Local money stays in our local economy.

Part 1: We exist to create access to food

INTERPRETATION:

Exist to create access to food: I interpret this to mean that People's role in the community is to engage in activities that connect people to sources of food. I interpret the use of the term "create" to mean that we are actively working to bring systems into being and to maintain those systems. I interpret the term "access" to imply that all beings deserve to be positively impacted by our activities, regardless of their species, income level, race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital status, gender-identity, height, weight, or mental or physical disability. I interpret the presence of the word "food" in this statement to mean that all our activities should revolve around food, not insurance, not tires, not housing. Finally, I interpret the open-ended nature of this vision to mean that we create that access through our store front, as well as through any other activities, partnerships, or programs deemed helpful.

The idea of access is not single-dimensional. It is about location. It is about affordability. It is about the difference in our product mix – we carry items that are only found in our store within our market. And it is about the Anti-Racism work we are doing to be approachable and accountable. Recently, a colleague shared the following graphic outlining what MSU's Center for Regional Food Systems sees as the five dimensions of access:



Usher, K. M. (2015). Valuing all knowledges through an expanded definition of access. *Journal of Agriculture, Food Systems, and Community Development*, 5(4), 109–114.
Penchansky, R. and J. W. Thomas. (1981) The Concept of Access: Definition and Relationship to Consumer Satisfaction. *Medical Care*, Vol. 19, No. 2 (Feb., 1981), pp. 127-140

METRICS:

Feeling that this more nuanced interpretation of **access** might fit well with our work, I have reworked this report to categorize metrics in a way that show how we create access in these five dimensions. For this report, I will use their interpretation of each dimension, unless otherwise noted.

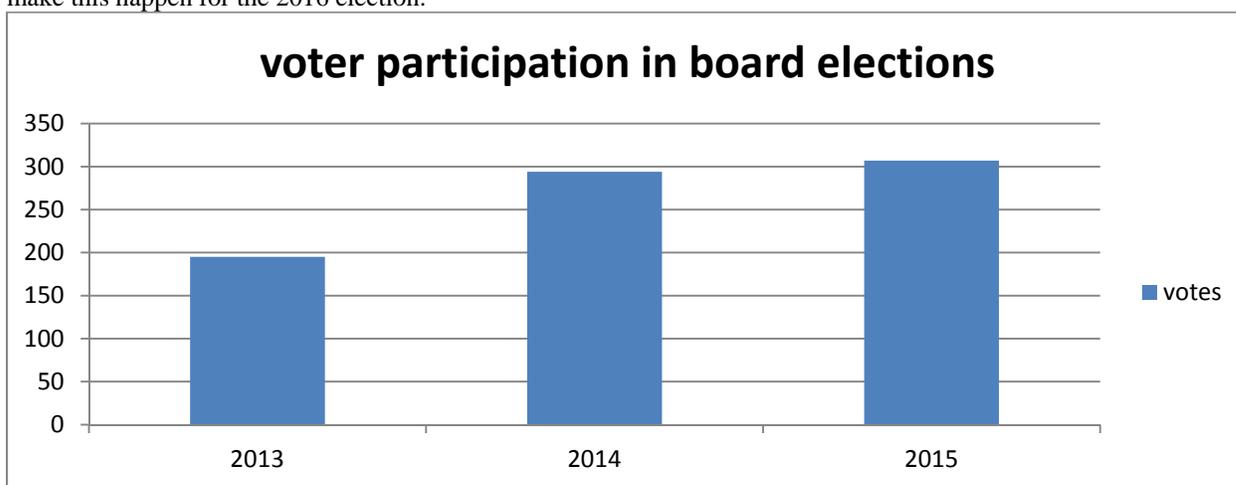
1. Acceptability – Relationship between residents and store associates.
 - Evolving community partnerships
 - Consistent or increasing owner participation in board elections and referenda.
 - Participation in owner/shopper surveys
 - The creation and maintenance of accountable relationships with individuals and organizations that support our goals of access regardless of their species, income level, race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital status, gender-identity, height, weight or mental or physical disability.
2. Accessibility – Store location; travel time; transportation resources.
 - Shopper Survey data for the store
 - PFC Markets information
3. Accommodation – Store hours and residents’ ability to meet those hours.
 - Shopper Survey data
 - PFC Markets information
4. Affordability – food prices; residents’ income; acceptance of SNAP.
 - Increasing dollars coming from Food Assistance Currencies
 - Existence of measures to keep prices low on staple products
5. Availability – Volume and variety of healthy food; consistency of availability. I’d add to this the sustainable existence of our businesses from a profitability standpoint.
 - Consistent profitability of People’s
 - Consistent or increasing ventures created or supported
 - Increasing transactions per year at our store

DATA:

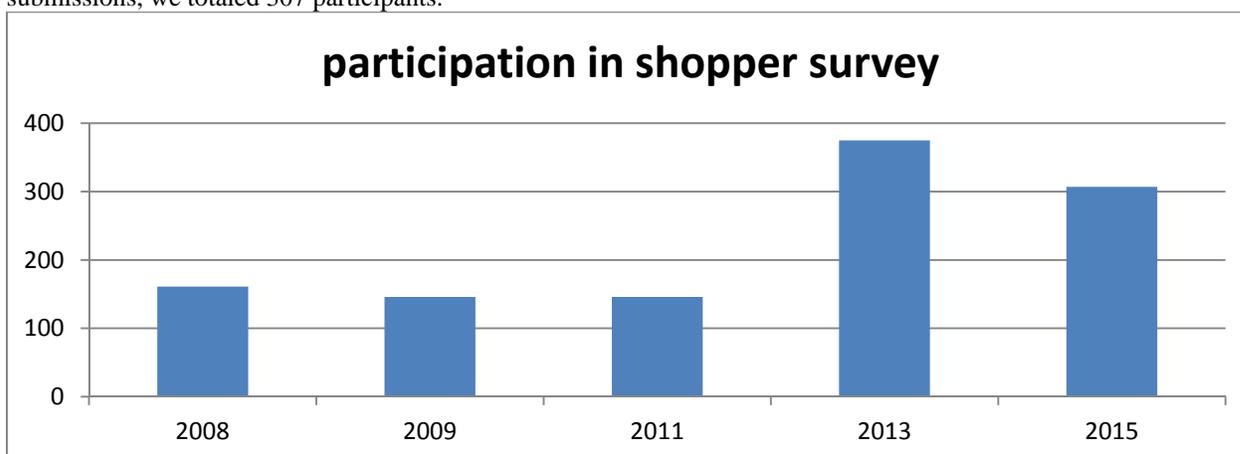
1. Acceptability – Relationship between residents and store associates.

- Evolving community partnerships – In my Gmail inbox, I have 36 folders for currently active community collaborations.
 - These include standing partnerships with:
 - Fair Food Matters – I have supported with service on the Fund Development and Finance committees, and PFC has actively engaged in supporting the work of the Can Do Kitchen and Fair Food Farmers Market.
 - Kalamazoo College – Partnering with the students of professor Amelia Katanski’s Cultivating Community course most recently to create content for an online guide to Eating Good Food on a Budget.
 - Good Food Kalamazoo – Building off the work of the Michigan Good Food Summit and Good Food Charter, GFK is a coalition of several organizations that are working to bring awareness to food issues to the broader Kalamazoo community:
 - Kalamazoo Loaves & Fishes
 - Fair Food Matters
 - Michigan Land Trustees
 - Kalamazoo Climate Change Coalition Food Group
 - Fresh Food FairyThis coalition is on hiatus at the moment, but out of this has come an invitation for me to serve on the Hunger-Free Community Coalition, a project of Loaves & Fishes, and I stay somewhat active with the KCCC Food Group as well, as they work on a food forest project in Winchell.
 - People’s maintained above partnerships and established the following new partnerships in 2015:
 - Freedom in Schools – co-sponsorship of a showing of Soul Food Junkies, including donation of all the food and paying JaRay Reese to chef for the event.
 - RAWK & Open Roads – supporting kids programs this summer with donations of healthy snacks.
 - Mamaleelu Cold Brew – extended a \$1000 loan with favorable terms and successful payback.

- Boy Scouts – Toward the end of 2015, the Michigan Council of Boy Scouts began work to create a local food dining program starting with the Roto-Kiwan camp in Texas Township. Hether Frayer and I both serve on a steering committee on this group, supporting the goal of 25% of the food served in the dining hall at camp to be grown on the camp premises or by local farmers.
 - Co-ops: Of the 36 active partnerships, 10 are co-ops, including several mentor relationships with budding start up and existing food co-ops, service as an advisory board member on efforts to educate and improve the co-op sector, and the Kalamazoo Cooperative Business Association.
 - Part of being a great community partner is financially supporting important work in our community. To that end, in 2015 we supported nine community organizations with larger sponsorships (over \$100) with the largest being to KRVT (\$2000), Growlers (\$1500), ERACCE (\$1000), Tillers (\$500), and Portage District Library (\$200). Smaller monetary or food donations through the year totaled over \$2600.
 - Market accountability work in 2015 – In 2015, we undertook the Washington Square Market project in a Kalamazoo County Land Bank Authority owned space at 1315 Portage Road. As this project began, concerns were raised about the use of that property helping to gentrify and make it less possible to have neighborhood folks continue to live in the neighborhood. Our market team, with a goal of being accountable to these concerns, partnered with Fire to host a listening session, and tailored our vision to include support of neighborhood vendor and cottage business where possible.
- Consistent or increasing owner participation in elections or referenda – We have had increasing numbers of people voting in elections, but it has not been increasing by percentage. We tend to remain rather close to our bare minimum quorum. We have identified online voting as a strategy to increase participation, and expect to be able to make this happen for the 2016 election.



- Participation in owner/shopper surveys - We saw a marked increase in participation in 2013 with a concentrated effort to bring people into the conversation, with our main tactic being entering patrons who complete surveys into a drawing for a gift card. With NCG support, we administered the 2015 survey late in the year, closing in January 2016. We had a similar number of overall participation (360), but once adjusted for incomplete or inadmissible submissions, we totaled 307 participants.



- Creation of and maintenance of accountable relationships – People’s board and staff have worked hard at our Anti-Racism work. Even with turnover at the board and staff level, our total number of board and staff that have experienced some training with ERACCE as of the end of 2015 is 73% (100% of board, and 62% of staff) - a very solid participation rate. See the updated “weed” at the end of this report. In terms of accountable relationships outside the staff and board, we continue to seek opportunities to connect with other People of Color organizations and learn how to do that in accountable ways. This is ongoing work, made stronger in 2015 by the completion by the PFC Anti-Racist Transformation Team of all training and a strategic plan. This is an important step, and has taken many hours and dollars to achieve.

2. Accessibility – store location, travel time, transportation resources.

- Shopper Survey data for the store – 2015 Shopper Survey respondents were asked to rate the degree to which the PFC is meeting their needs, including store location/convenience. For 63%, we are meeting that need well or very well. Therefore, for 37% we are not meeting it as well. The data shown that shoppers living further away (5+ miles) are less satisfied with this factor.
- Transportation resources – We are currently a 10 minute walk from the Downtown Kalamazoo Transit Station, from which bus lines run throughout the City. We have reached out to Metro Transit on several occasions about having a bus stop placed across from the PFC, but it has not happened yet. The closest bus stop is at Michigan & Harrison, SW corner. This stop is 500 ft from the PFC, and serves lines 5 (E Main St), 9 (Gull Rd), and 10 (Comstock).
- PFC Markets – In addition to our storefront, and the 100 Mile Market that happens at our store, starting in 2013, we began to operate the Kalamazoo Farmers Market at 1204 Bank Street, south of downtown in the Edison neighborhood. This area is accessible by bike and foot to a large residential area, and by bus lines 2 (Portage) and 8 (Cork St) using stops on Portage Road, .3 miles from the Market. It should be noted that in 2016, we will further increase the accessibility of PFC Markets through implementation of the Portage Market, in the Portage Senior Center parking lot on Sundays.

3. Accommodation – store hours and residents ability to meet those hours.

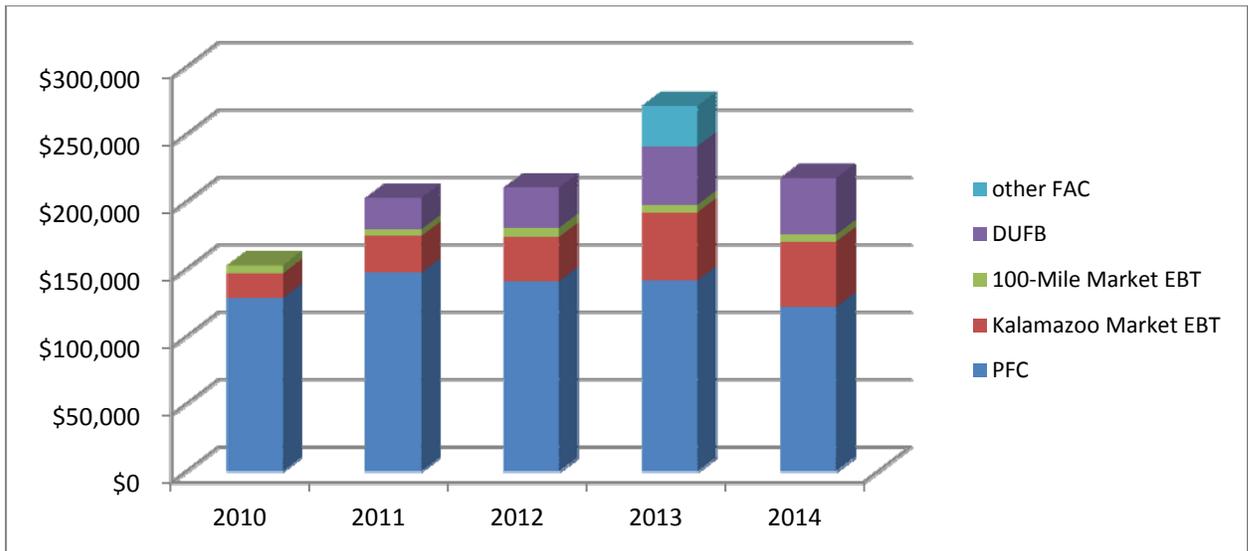
- Shopper Survey data for the store – 2015 Shopper Survey respondents were asked to rate the degree to which the PFC is meeting their needs, including hours of operation. For 90%, we are meeting that need well or very well. The data shown that statistically non-owners are less satisfied with this factor.

4. Affordability – food prices, residents income, and availability of SNAP (and other food assistance currencies)

- Existence of measures to keep prices low on staple products. We have several programs in place to make foods (staples, etc.) accessible to folks who are on a budget, while keeping in place our commitment to quality. We have three programs, though we continue to not have a good way of tracking volume use of each:
 - Co+op Deals – the NCGA flyer program, where deals change every 14-21 days
 - Owner Specials – 6 products on sale for owners; also change every 14-21 days
 - Values (EDLP) program – a growing number of products throughout the store that are always mindfully priced to give great value, while retaining our quality standards.

We’ve been working to make better use of these programs since the NCG audit. And we are now working on a complete price strategy overhaul. Some elements: 1) evaluate every category in the store for a “good, better and best” option at varying price points; make our “off shelf” merchandising locations (i.e., the vestibule and end caps) a location to showcase great prices; develop our Every Day Low Price (EDLP) Values program through expanding the number of products we carry that fit that description -- NCG has supported these efforts through concentrated focus on lowering our costs on the UNFI “Field Day” brand that we use for this. Since the start of 2016, we have rebranded our Values program to Co+op Basics to leverage the NCG branding materials associated with that program. We have made a splash with this which helps to combat the perception that we only have high priced products. I will be able to report on the impact of this program in 2017.

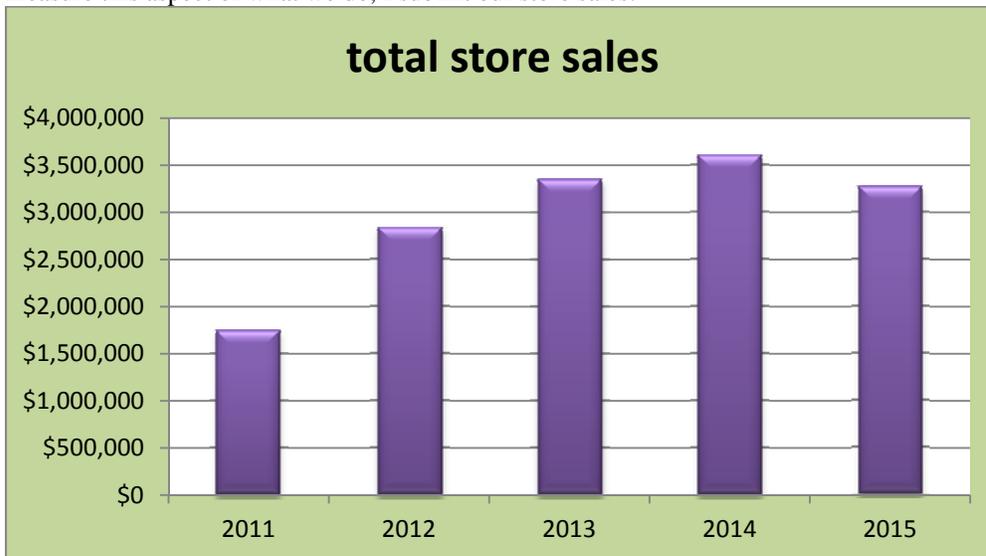
- Residents income: It should be noted that we are clear that the PFC currently exists in a part of the City that tends to be lower income. Our plan when building the store on Harrison Street in 2011 was to be on a well-trafficked road between downtown and more affluent suburban areas, while walkable/accessible to the North and East Side neighborhoods – creating a sustainable mix of traffic. This has largely been successful. However, we’re learning a lot about what accessibility means, and price certainly matters in that. That hasn’t changed our focus on providing the highest quality foods available, which come at prices that are not cheap. We address this reality as best we know how through competitive pricing programs (as described above), and the acceptance of food assistance.
- Increasing dollars coming from Food Assistance Currencies – Food Assistance Currencies (FAC) describe all the various programs to increase access to fresh foods in store and at markets, including SNAP, Double UP, WIC, and Market Bucks, among others. After an impressive peak in 2013, these currencies declined some in 2014 (and will again in 2015 once I have all final data), mostly seeing a decline in the store of nearly \$20,000 for the year, though also seeing a much less pronounced decline at markets.



5. Availability - Volume and variety of healthy food; consistency of availability.

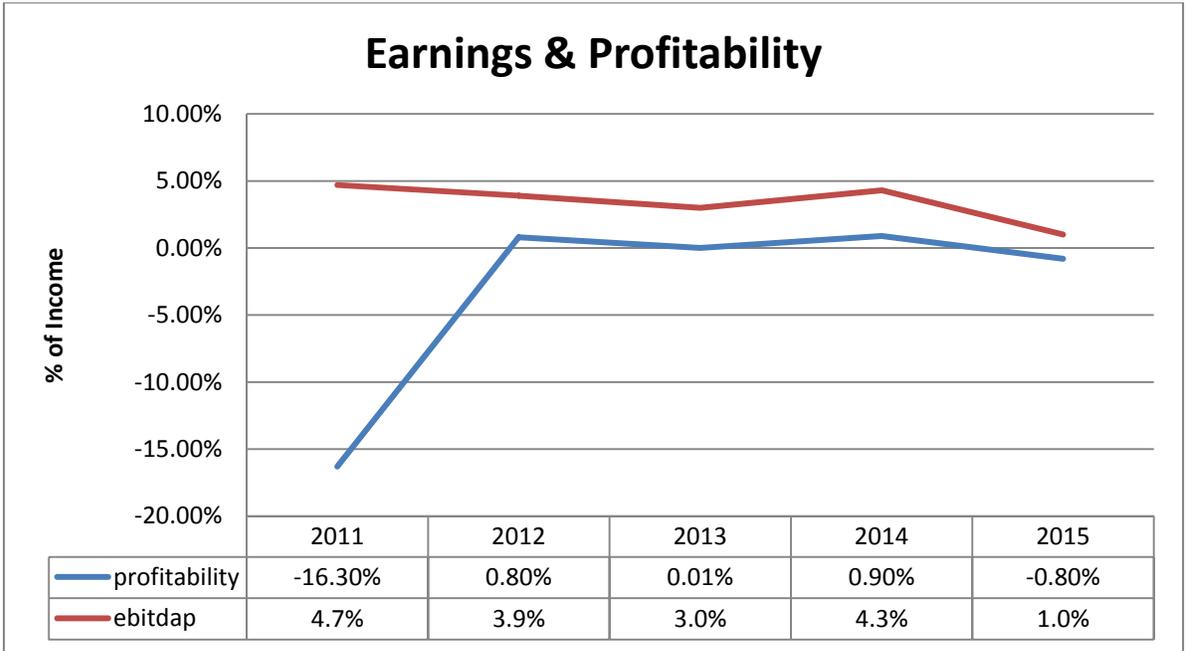
- Volume and variety of healthy food

We certainly have this aspect of availability down. Our store focuses on fresh food, leading with 90% organic produce, clean meat, cheese and dairy, fresh bakery and house made deli foods. Our center store consists of packaged goods that meet our strict product guidelines that require no MSG, high fructose corn syrup, and 36 other preservatives and additives. So, to measure this aspect of what we do, I submit our store sales:



- Consistency of availability

The way that we are able to do good work in this community is through the success of our storefront. We must run a sustainable business in order to create access to good food. Sustainability in the natural grocery is thought to require profitability of 1-3%. Another way to measure this is EBITDAP – that’s Earnings Before Interest, Taxes, Depreciation, Amortization, and Patronage. From the chart below, you can see that since expansion in 2011, we’ve struggled to achieve consistent profitability, and earnings have generally bobbed between 4 and 5%. Our earnings are on comparable in the Co-op sector, and the co-op sector is significantly lower than the for profit sector. Whole Foods EBITDA has traditionally been 8-10%, for example, though that’s declining with the pressure they’re also feeling from additional competition. This struggle to generate cash from our operations hinders our ability to expand and compete as effectively.



I report progress. Though we've regressed in the important metric of use of Food Assistance Currencies in the store and at markets, we are evolving our interpretation of "access" and addressing the affordability in unprecedented ways. I hope to see marked progress in 2016.

Part 2: Food that is Healthy for People

INTERPRETATION:

Food that is Healthy for People: I believe that if something is healthy, it is strong, well-balanced, and reasonably able to resist decay or disease. Therefore, I interpret this part of our Ends to mean that the consumption of the food that we provide will leave the people that consume our food stronger and better able to resist disease, regardless of income level, race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital status, gender-identity, gender expression, height, weight or mental or physical disability.

In 2003, Mike Hamm (now at MSU) defined community food security as:

“a situation in which all community residents obtain a safe, culturally acceptable, nutritionally adequate diet through a sustainable food system that maximizes community self-reliance and social justice” (Hamm & Bellows, 2003, p. 37).

I like this definition because it includes cultural relevance, nutrition, sustainability and the ideas of self-reliance and social justice. These fit well with our overall goals, and are alluded to in some ways in our sub-Ends:

E.1.1 Bridges exist between Kalamazoo’s multiple diverse communities: I interpret this to mean that cultural, social, and physical mechanisms that bring communities of people and wildlife together throughout Kalamazoo city and county, and SW Michigan with respect and a spirit of openness and learning. These bridges may include our store, organizational relationships, farmers’ markets, events, walking/biking paths, etc.

E.1.2 Kalamazoo is a food sovereign community: This language was largely inspired by the work of Malik Yakini and the Detroit Black Community Food Security Coalition and D-Town Farms. Thus, I look to their chosen definition of food sovereignty, that of the International Planning Committee for Food Sovereignty, which exhibits the following characteristics:

- Food for People – focus on making sure all people have access
- Value Food Providers – support the contributions of those that produce our food
- Localize Food Systems – have communities be the center of decision-making about how we feed ourselves
- Local Control – legal control of lands, water, etc., should be in local hands
- Build Skills and Knowledge
- Work with Nature

METRICS:

We can measure **healthy for people** through the following metrics:

- Increasing percentage of organic product sales (healthier for people because of their lack of exposure to harmful chemical inputs), implied by purchases from vendors
- Increasing percentage of local product sales (local foods assumed to be higher in nutritional value), implied by purchases from vendors
- Increasing dollars coming from Food Assistance Currencies – See “affordability” aspect of Access.

We can measure that **bridges exist between Kalamazoo’s multiple diverse communities** by articulating the relationships, events, and farmers markets that PFC is part of. My data for this metric is broken down along those lines.

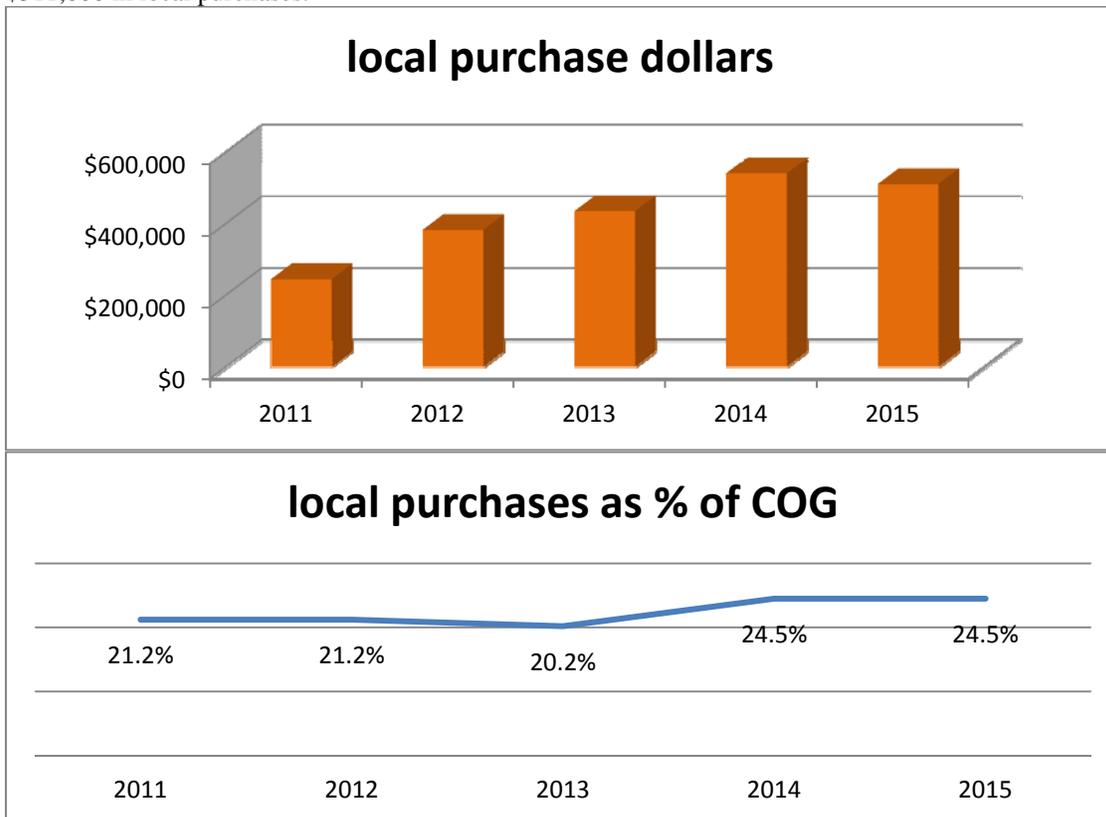
Food sovereignty as defined by the International Planning Committee for Food Sovereignty includes six characteristics. PFC’s efforts in each area bears measurement in the following ways:

- Food for People – Measured in the above section on Access.
- Value Food Providers – support the contributions of those that produce our food – Measured as part of monitoring Healthy for Economy.
- Localize Food Systems – have communities be the center of decision-making about how we feed ourselves
 - Democratic control of the PFC through ownership and voter participation
- Local Control – legal control of lands, water, etc., should be in local hands:
 - Efforts by PFC and partners in ensuring local control of lands, waters, etc.
- Build Skills and Knowledge
 - Cooking class offerings and participation

- Participation in educational outreach – See data about events in Relationships data that monitors existence of bridges.
- Work with Nature – Measured in section below on Healthy for Land.

DATA:

- Increasing percentage of organic product sales implied by purchases – recognizing that the practice of markedly reduced chemical use in organic growing practices is good for the health of both the eater and the grower, we can measure some impact by the amount of organic food that we sell. We’ve begun tracking this regularly in two ways:
 - Weekly organic counts on produce items: Our produce department has always had a strong focus on organic. Recently, we began to measure this in the form of regular weekly posting of the percentage of organic produce in the department. In part, this is an exercise in differentiation, and in part accountability to our community. Over the past year, since we started posting this data, we tend to show between 85% and 95% organic. Produce may show up in our case when not organic if: 1) it is an item (like bottled salad dressing) that meets our product guidelines but is not available organically, or 2) if it comes from a local farm that we have a relationship with and trust the growing methods of (e.g., Blue Dog Family Farms while working on certification, or Green Gardens, certified Naturally Grown).
 - Tracking of organic items in CoPOS: this has not been fully implemented.
- Increasing percentage of local product sales, implied by purchases – We can look at this two ways: total dollars invested in locally grown and locally processed products, and local purchases as a percentage of overall cost of goods. In 2014 we reached unprecedented levels of local purchasing, purchasing \$541,000 from within 100 miles. This also set a percent of purchases record for us with 24.5% of our total purchases for the year being sourced locally. In 2015 we stayed at 24.5% local purchasing dollars, but with lower sales, this resulted in a still respectable \$511,000 in local purchases.



- Increasing dollars coming from Food Assistance Currencies – see “affordability” aspect of **Access** above.
- Relationships, Events, and Markets PFC is part of – Building bridges is about availing ourselves through developing relationships and taking part in community events in ways that feel inviting and accessible, and from which we’re ready to learn.

Organizational Relationships

- Partnerships with other community organizations: See the “Acceptability” aspect of Access above.

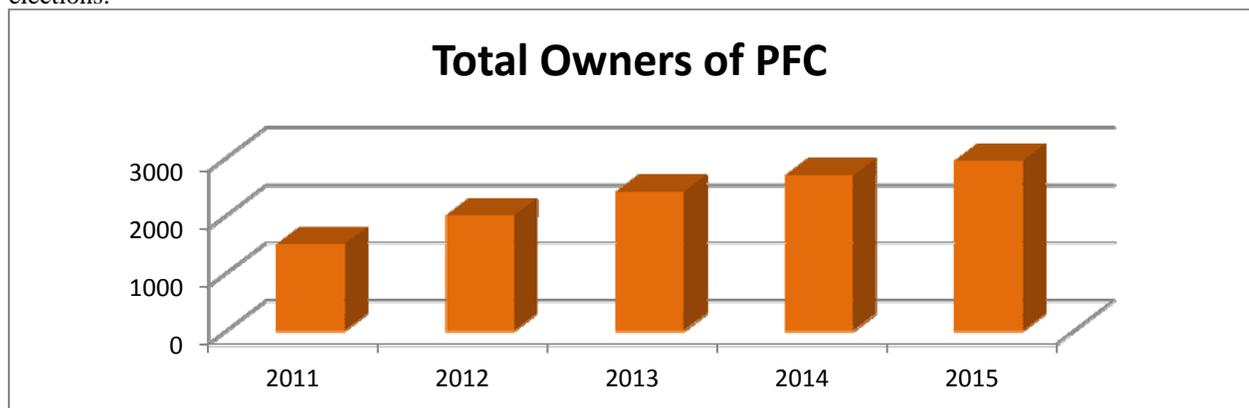
- Active participation in anti-bias/anti-racism work in Kalamazoo through participation with ERAC/CE is a key way in which we can show that bridges exist:
 - Of People’s 41 team members (board and staff), 31 (76%) have participated in some way with ERACCE, whether a 2.5 day workshop or one-day introduction. Below (page 13) is a visual representation of this participation.
 - We are in a strong structural partnership with ERACCE: I currently serve on the Board of ERACCE, and PFC board co-chair Chris Moore and I are current members of ERACCE’s Regional Organizing Team. PFC board co-chair Jo Ann Mundy is Co-ED of ERACCE.
 - In 2015, ERACCE and Crossroads finished the training of the PFC Anti-Racism Transformation Team. The team is now made up of 12 members including board, staff, owners and community members. The team has completed a strategic plan and is currently working to implement that plan, primarily focused at the moment on reducing bias in the hiring process, and providing opportunities to build the PFC capacity for honest conversations about bias.

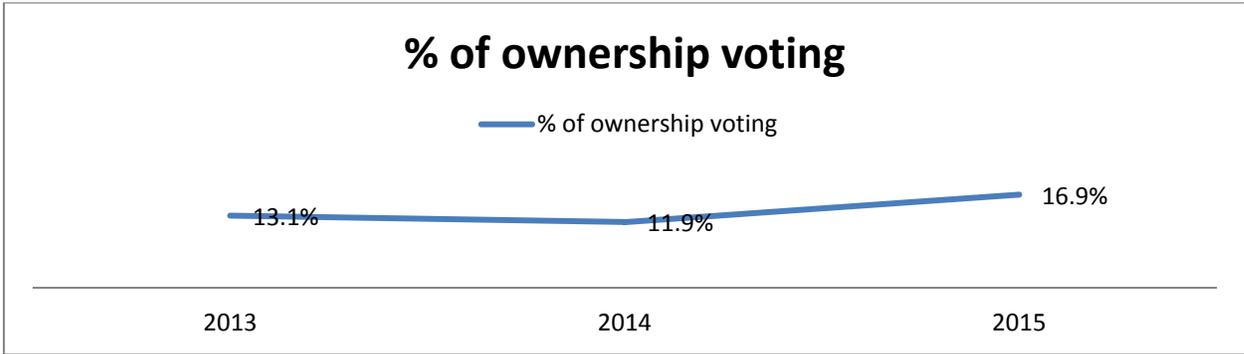
Events

- People’s has participated in events or programs with the following groups in the past 12 months:
 - Community/sales events at PFC: 18 100-Mile Markets and two additional events (GIYD and Wild Ones plant sale)
 - 26 Saturdays at Kalamazoo Farmers Market
 - 25 events or programs throughout the year at varying locations and with varying partners including:
 - Sponsorship and attendance of the ISAAC Banquet
 - Cooking demo at Northside Ministerial Alliance health fair
 - Sponsorship and tabling at the Portage District Library Nicolette Hahn Niman event
 - KFM Night at the Ballpark at Growlers Stadium
 - Where’s Waldo wrap up event at Bookbug
 - Food Dance block party tabling
 - Sales at WMU football game Tailgate events
 - Food demo at and sponsorship of showing of Soul Food Junkies at Mt. Zion

Farmers’ Markets

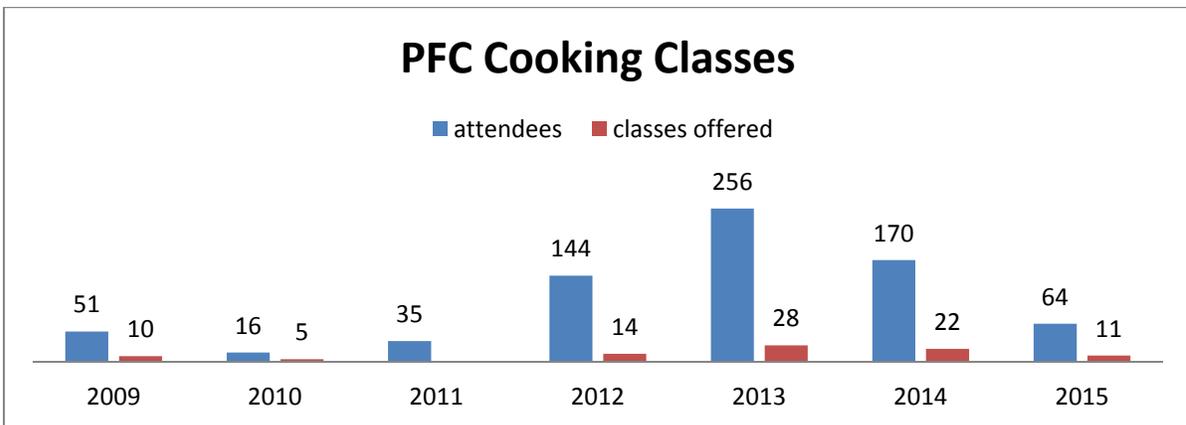
- The existence of the 100-Mile Market and Kalamazoo Farmers’ Market is evidence of the existence of bridges between the urban and rural communities. The market brings together rural growers and producers with urban shoppers. In 2015, we added a pilot program at Portage Senior Center on two Sundays. Additionally, due to the SNAP and Double Up programs at 100-Mile Market and KFM, bridges exist for lower income populations.
- Localize food systems through democratic participation at PFC – Part of sovereignty is local decision-making. A democratic organization like PFC lends itself to building the capacity of a community to participate in making decisions collectively. Measures of this participation include total number of PFC owners, and participation in PFC elections:





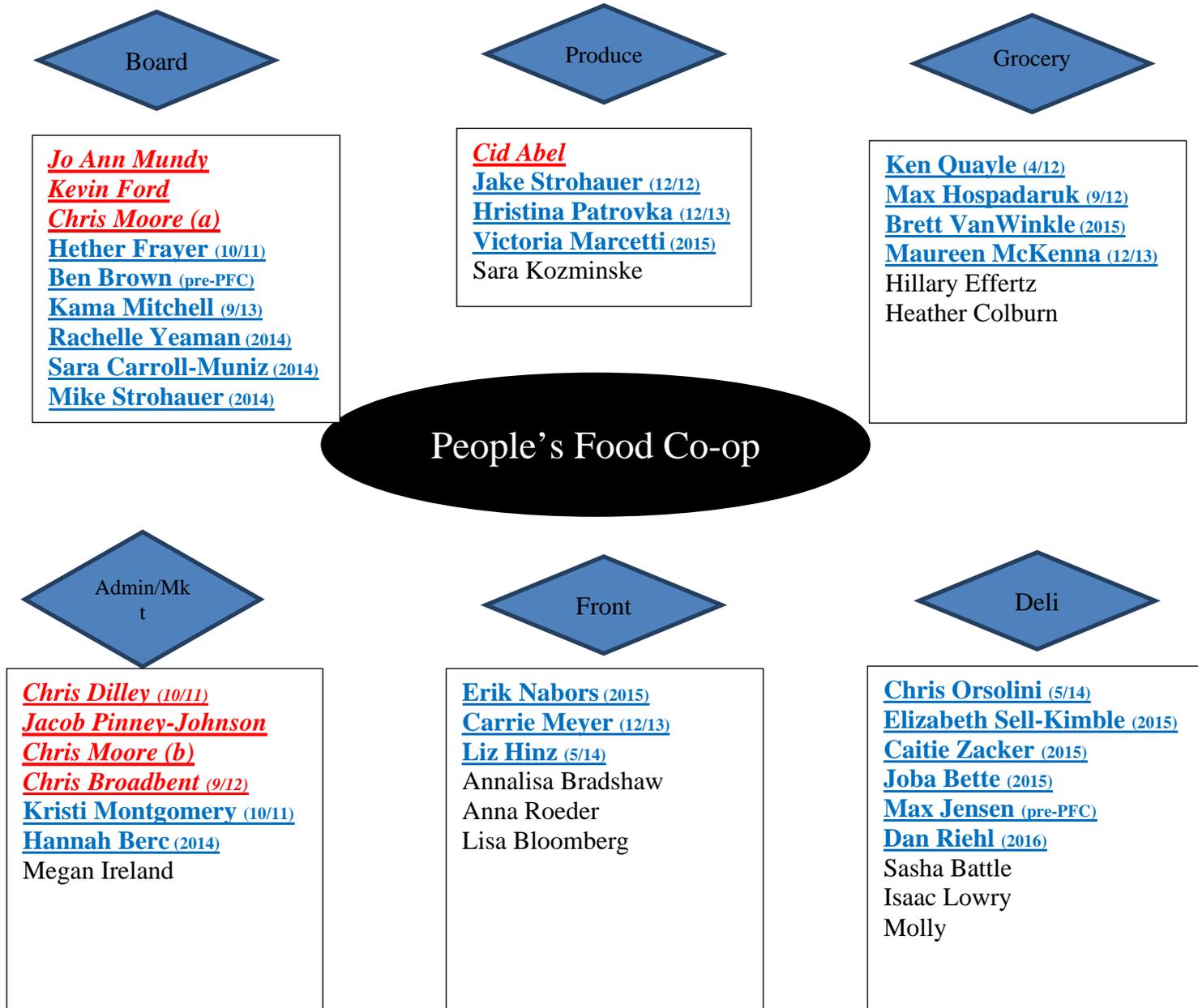
Recognizing that we can do better at voter participation, in 2015 we included a referendum to allow online voting. This referendum passed overwhelmingly, and we will begin offering an online voting option with the 2016 election.

- Efforts by PFC and partners in ensuring local control of lands, waters, etc. – PFC is currently involved in little work that supports this aspect of our Ends. Partnerships that overlap in some way could be those with Kalamazoo Area Wild Ones, Kalamazoo Climate Change Coalition, and the Kalamazoo River Valley Trail.
- Consistent offering of cooking classes – Recognizing the importance of knowing how to cook as part of being able to eat well on a budget, we have worked hard to grow our capacity to provide cooking education since 2009. As you can see from the graph below, under the charismatic leadership of Chris Broadbent, we hit a peak number of classes and participants in 2013. In 2015, responding to declining sales, we cut back on this program. We offered five well attended classes through May, then took a four month break through the summer, coming back online in the fall with a revamped program. In September we restructured the program, and put out an RFP to search for a contractor to serve as Cooking Class Coordinator. We had a robust process and chose PFC owner and regular shopper, Kelly Zajac of Tudor House Tea & Spice to serve as our coordinator. She went to work scheduling six classes October through December 2015. Three of these were well attended, three were canceled for low registration. Our outreach team and Kelly put our heads together and continue to refine our programming for 2016. With this change in coordination approach, as well as the freeing up of the PFC Kitchen with the Can Do Kitchen moving to their new space, I anticipate seeing a record number of classes and attendees in 2016.



PFC Anti-Racism team development WEED

Updated 3/31/16, Chris Dilley



KEY: total 41
Organizer/PDTE/TT 7 (17%)
2.5 Day completed 24 (60%)
2.5 Day planned 0 (0%)
Introduction 0 (0%)
 Yet Untrained 10 (23%)

Board trained: 100%
 Staff trained: 70%

Part 3: Food that is Healthy for Land

INTERPRETATION:

Food that is Healthy for Land: I interpret our use of the word “land” to represent the complex web of natural systems that is the natural world on the planet Earth. This web includes, but is not limited to, farmland and other human-dominated lands on which we cultivate or produce the foods that are sold at People’s. My interpretation is that this term is meant to bring our value of the environment and ecology into our operational outcomes. I interpret “healthy for land” to mean that we understand that one cannot affect one part of the ecological system without affecting some other part, as a web.

A Healthier Ecological System: I interpret sub-End E.2.1 to mean that we are “working with nature” wherever possible. That is, working to lessen the impacts on the earth from our business and all related activities, and where possible, contributing positively through habitat restoration and energy generation.

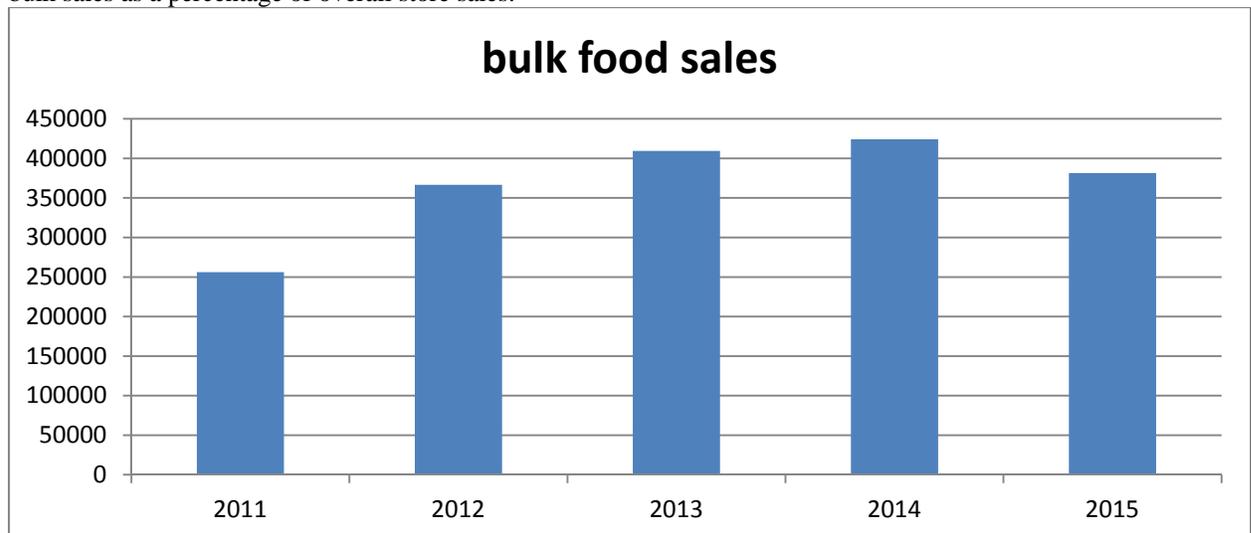
METRICS:

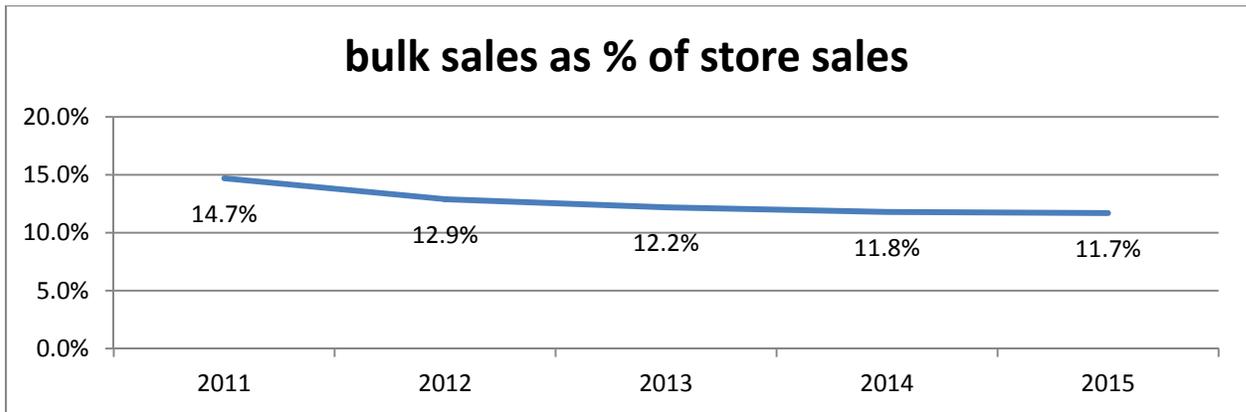
We can measure **healthy for land** and **healthier ecological system** through the following metrics:

- Increasing percentage of organic product sales (healthier for land because of the lack of application of harmful chemical inputs) – see Healthy for People above for data.
- Increasing percentage of local product sales (local foods assumed to require less carbon for transport and petroleum-based chemicals as most of our local purchases are organic, transitional organic, or low-spray), implied by purchases from vendors – See Healthy for People data above.
- Increasing percentage of bulk products sold (much less food packaging waste enters the waste stream from bulk foods than from traditional packaged groceries)
- Diversion of waste from the landfill through recycling and composting efforts
- Work to address climate change via mitigation and adaptation through education and action in our own operation and in the community

DATA:

- Increasing percentage of bulk products sold – I have heard that 15% of waste that makes its way into the landfill is food and food packaging waste. Bulk products, assuming shoppers bring in their own containers, use no packaging, other than the large box or bag it arrives at the store in. At worst customers use the recyclable packages or thin bags provided by People’s, or glass containers available for sale. Below are two measures: total dollars in bulk sales, and bulk sales as a percentage of overall store sales.

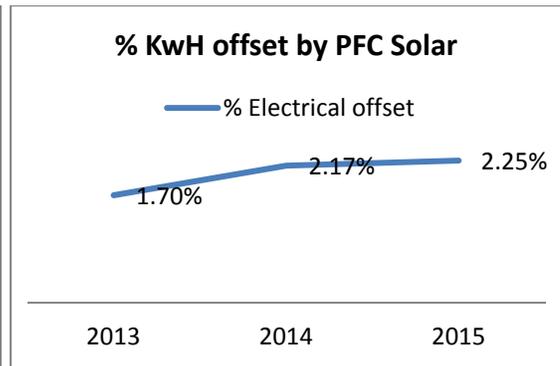
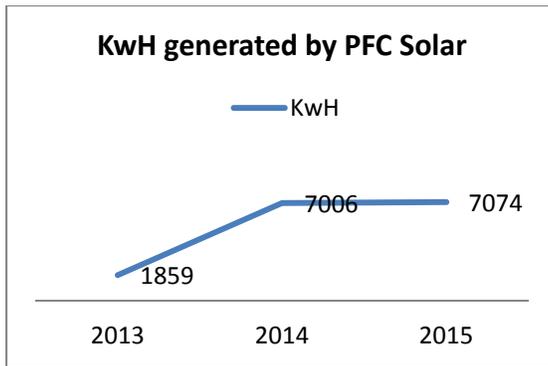




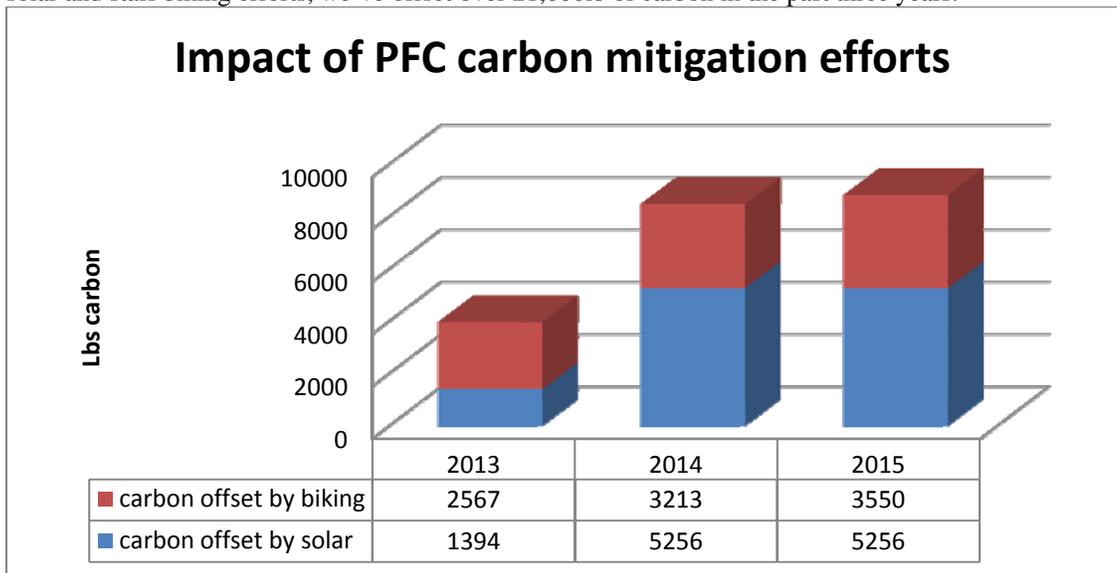
Since expansion and prior to 2015, bulk sales had increased, though as a percentage of overall store sales, they've decreased. We have lots of opportunities to continue to educate the community about the environmental benefits of buying in bulk. We take advantage of Earth Day (April) and National Bulk Foods Week (October) annually as opportunities to talk about reasons for and incent buying in bulk at PFC.

- Diversion of waste from the landfill through recycling and composting efforts – We estimate that 80% of waste from our operation is diverted from the landfill through recycling and composting. As a grocery business, we manage to keep our landfill waste to nine 96 gallon residential-sized herbie-curbies per week.
 - People's actively works to divert all deli and produce scraps, and others that can be composted.
 - Through 2013 and 2014, we worked with Future Organics to remove 2000+ pounds of compostable material from our store. This included fruit, vegetable scraps, meat/bone, brown paper, cardboard, waxed cardboard, etc. As of the end of 2014, Future pulled out of the Michigan market.
 - For much of 2015, we floundered, not finding a vendor to replace Future. Starting mid-year, however, PFC staff member Heather Colburn started taking our scraps out to her Delton farm, Elder Fire Farm Arts. Starting in October we began paying Heather for this service and implemented a store-wide program to compost as much produce as she's able to accommodate.
 - People's also invests in cardboard and comingled recycling service to further reduce the amount of waste going to the landfill. We do not currently have access to weights or other measures of quantity.

- Work to address climate change via mitigation and adaptation through education and action in our own operation and in the community – first of all, some definitions: Two general terms are used when discussing how to move forward addressing climate change: Mitigation and Adaptation. **Mitigation** involves working to lower energy use and increase carbon sequestration through planting of vegetation. **Adaptation** is efforts to build community resilience to support a community in a future of fewer resources. I have labeled efforts below with these terms.
 - Mitigation efforts in the new building:
 - Closed door coolers for dairy and refrigeration.
 - Installation of rack system to organize compressors with goal of reducing electricity use by 30%.
 - Heat capture from compression to pre-heat hot water and reduce use of natural gas.
 - Heat capture on retail area roof top heating/cooling units to reduce the use of electricity and natural gas when conditioning fresh air.
 - Use of LED lights in produce department.
 - Installation of over 2000 native plants, shrubs and trees to sequester carbon, provide food for pollinators and habitat for small birds and mammals.
 - Supporting adaptation by providing a rain garden to manage what scientists expect for our region to be greater rain events in the face of climate change. Half of our parking lot pitches toward the rain garden which then encourages percolation of rain water into the soil, cleaning and cooling the water naturally, without use of the energy-intensive storm water treatment facilities.
 - Mitigation through the installation of solar panels in summer 2013. Since installation of our new solar panels in early September 2013, the panels have offset 15.94 MWh of energy, saving 11,906 pounds of carbon from being released into the atmosphere.



- Mitigation through bike-to-work and bike-to-shop programs. The measurable here is that staff have biked nearly 1000 miles on Wednesdays this year to leave parking space for market vendors and market-goers. We have saved 1200 pounds of carbon from being released into the atmosphere this year. We also offered discounts at different times this summer to folks who rode their bikes to shop at the PFC. Between PFC solar and staff biking efforts, we've offset over 21,000lb of carbon in the past three years.



- Finally, I would count as both mitigation and adaptation any efforts PFC makes toward supporting localizing the food system through purchasing from local farms, supporting gardening and gardening education at Grow It Yourself Day, and cooking through cooking classes.

Part 4: Food that is Healthy for Economy

INTERPRETATION:

Food that is Healthy for Economy: Though I interpret our use of the term economy to imply all levels of the economy: local, regional, national and global, I interpret our focus to be primarily on our local economy. I interpret economy to be a system of exchanging energy that allows people to contribute to our community in a way that supports positive growth and change. I interpret this economy to include farm businesses and other food businesses. I interpret the health of economy to mean that it is meeting the needs of those participating in the exchange (consumers and vendors).

E.3.1 Cooperative Business Exists in our Community: I interpret a cooperative to be an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through jointly owned and democratically controlled enterprises (ICA's definition). Furthermore, I acknowledge that there are three types of cooperatives: producer, consumer, and worker-owned, as well as hybrids of each. In each case, one member gets one vote, and financial benefit is based on use of the cooperative rather than investment. Furthermore, I interpret E.3.1 to mean that People's will employ resources to keep our own cooperative functional and, wherever appropriate, support other cooperative ventures in Kalamazoo, SW Michigan and beyond.

E.3.2 Local Jobs Exist in our Community: I take this to mean that People's employs people from Kalamazoo and the surrounding area, and furthermore that through our work with the Can-Do Kitchen and other area vendors, producers and processors we are supporting gainful employment.

E.3.3 Local Money Stays in the Local Economy: I understand this statement to mean that People's will choose to purchase locally wherever possible with the understanding that when we spend a dollar locally it circulates in our local economy, thus resulting in amplified economic prosperity.

Finally, I want to note I have spent the past many years implicitly interpreting the “and” in “healthy for people, land, and the economy” to mean that we value all three elements equally and want all three present in all items in the store whenever possible. This addition to my interpretations was just made explicit in March 2015, giving us the opportunity to discuss the balance of price and quality in a more open way.

METRICS:

We can measure **healthy for economy** through the following metrics:

- Increasing percentage of local product purchases – See data in Healthy for People above.
- Increasing dollars coming from SNAP benefits at local farmers' markets – See “affordability” aspect of Access above.
- Increasing percentage of Fair Trade product purchases
- A consistent return on investment for our owners
- Total economic impact of combined PFC activities

E.3.1 Cooperative business exists in our community

- Profitability of PFC ensuring perpetuation of the business – See “availability” aspect of Access above.
- Growth of PFC ownership and owner investment
- Active pursuit of business with other local cooperatives

E.3.2 Local jobs exist in our community

- PFC job and wage data
- PFC's local purchasing efforts translated into rough job FTEs

E.3.3 Local money stays in our local economy

- PFC purchasing practices and local and regional purchasing program results – Again, see data in Healthy for People above.
- Results of PFC programs that affect the local economy (SNAP at farmers' markets) – Again, see “affordability” aspect of Access above.

DATA:

- Increasing percentage of Fair Trade product purchases – **we do not currently have a way to track this**, though we have started to flag other “green attributes” and are looking into tracking fair trade as well.
- Consistent return on investment (ROI) for our owners – All owners have invested their dollars into this community business. As noted in a graph below, the total owner investment as of December 31, 2015 was \$987,272, with

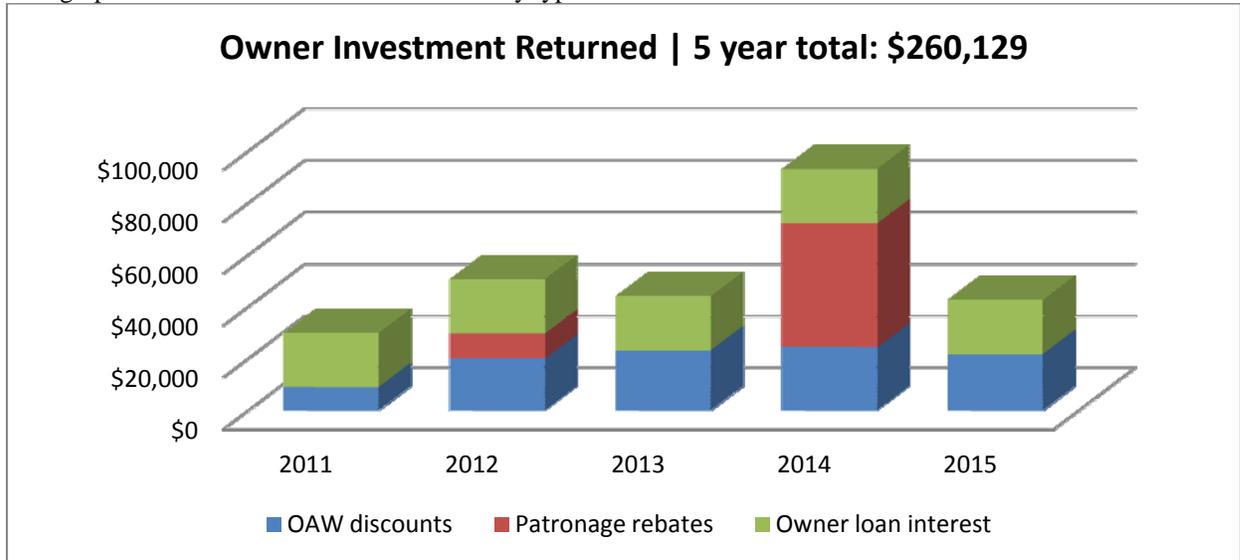
\$460,762 coming from owner equity, and \$526,510 from owner loans.

The return on the owner loan portion is simple interest accrued and paid out annually. The average interest rate on owner loans has been 3.66%, or a total of \$20,840 paid out annually to 130 owners. In 2015, we began to pay down principal, by paying \$48,000 in ballooning loans back to owners with their final interest payment. As part of this pay back, we have been offering owners the option to continue to keep their investment at PFC.

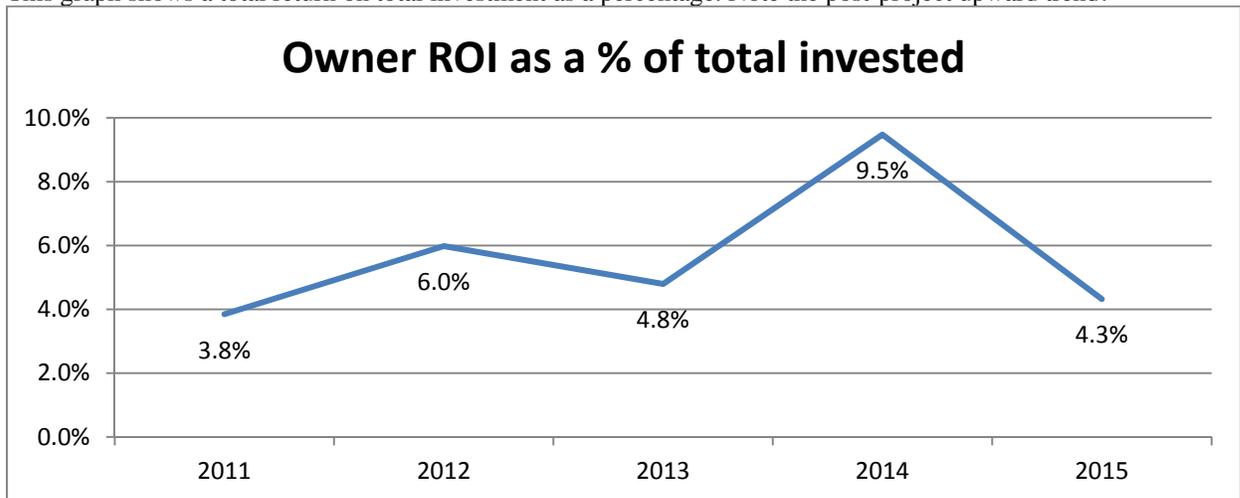
On these community investment dollars, we figure the following to be the measurable portion of the return:

- Owner Appreciation Week discounts
- Patronage rebates – distributed in 2008, 2009, 2012 and 2014.
- Owner loan interest

This graph shows total owner dollars invested by type:

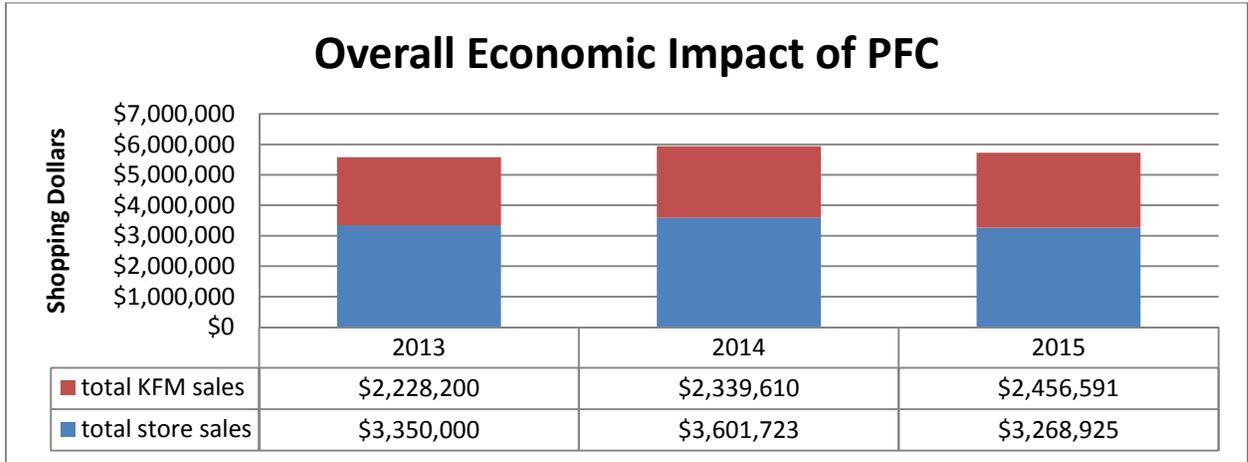


This graph shows a total return on total investment as a percentage. Note the post-project upward trend!



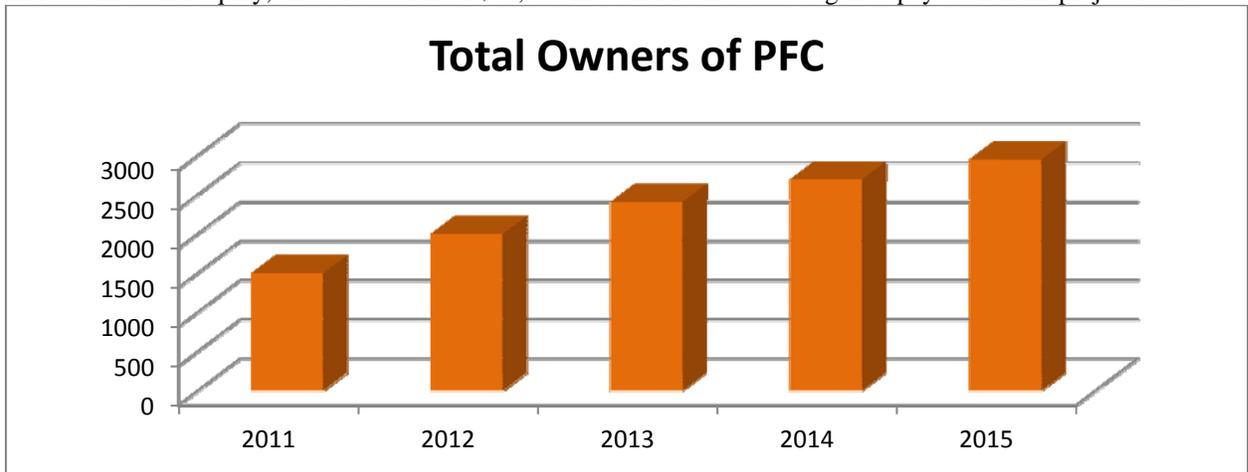
- Total economic impact of our combined activities – Given People’s current status as Kalamazoo Farmers Market operator, it is appropriate to combine our economic impact to show the overall impact of the cooperative. Thus, for 2015, between known PFC sales and estimated KFM sales, we are showing nearly \$5.7M in local and values-based food access through our activities. Data for the past three years of PFC store and KFM operations shown here:

Overall Economic Impact of PFC

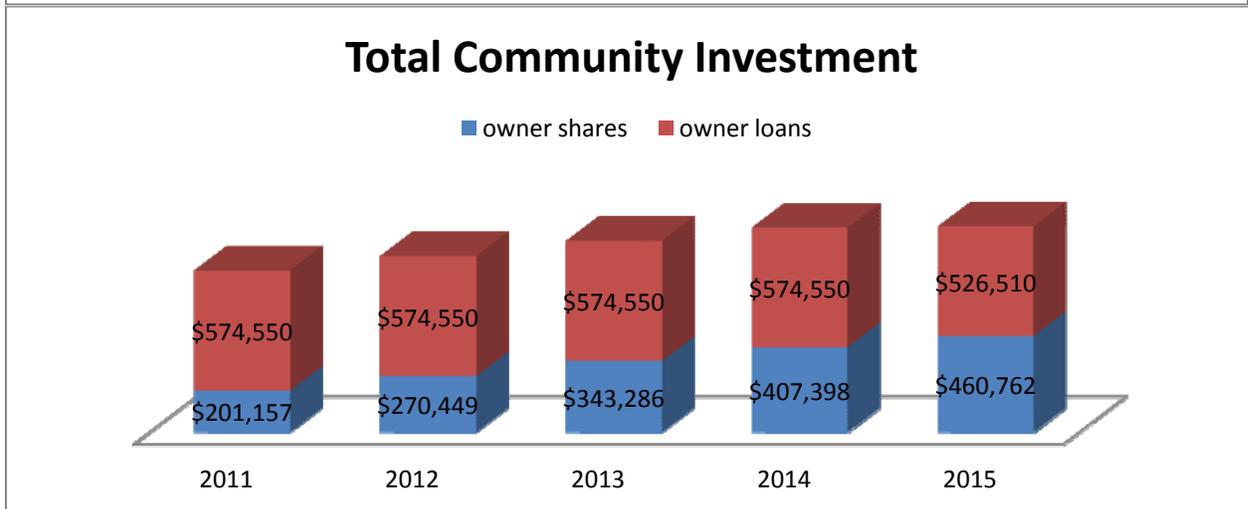


- Growth of PFC ownership and owner investment** – As a cooperative ourselves, one way we can measure the strength of cooperative business is the number of people and equity dollars invested in our business. By the end of 2015, total number of owners reached 2,946, and owner investment in PFC grew to \$987,272, with a \$53,000 increase in owner equity, and a reduction of \$48,000 in owner loans as we began to pay back 2011 project loans.

Total Owners of PFC



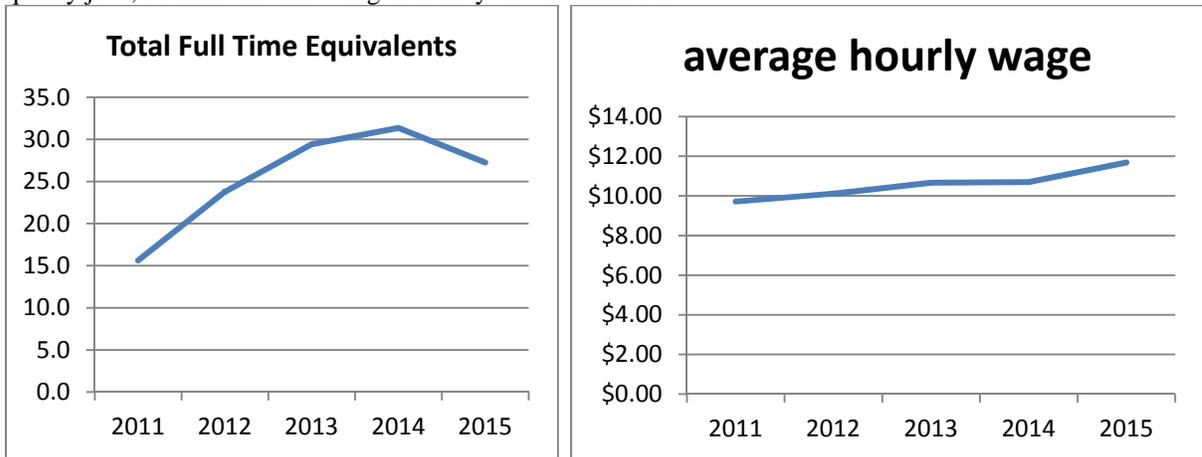
Total Community Investment



- Active pursuit of business with other local cooperatives** – Here is a list of activities that PFC has been engaged in to support and promote cooperative business:
 - People's has actively worked locally to support cooperative enterprise:
 - People's is in regular supportive contact with several food and other co-ops:
 - Grand Rapids Food Co-op Initiative – Grand Rapids start up group working currently to build awareness and launch cooperative. I have been actively engaged in conversations

with their board and possible partners. They have also visited our board meetings several times.

- Purple Porch Co-op – South Bend transition from buying club. Opened in 2013.
 - Dill Pickle Food Co-op – Chicago cooperative now working on expansion.
 - Participation in the Latter Day Society of Equitable Pioneers, Michigan-based cross-sector cooperative alliance.
 - In 2014, PFC supported the creation and perpetuation of the Kalamazoo Cooperative Business Association. PFC board members Kevin Ford and Rachelle Yeaman have taken a leadership role in the steering of this fledgling organization. Thanks to the efforts of this group, cooperative business questions were asked of City Commission candidates in the fall 2015 election cycle, and October 11-17, 2015, was proclaimed Kalamazoo Cooperative Business Week by the Kalamazoo City Commission.
 - PFC is taking a leadership role in building a coalition of Great Lakes regional food co-ops (a subset of NCGA).
 - We have invested \$1,000 in a CD at the Community Promise Credit Union.
 - In late 2015, PFC moved our accounts from a local bank back to a credit union. We currently have nearly \$300,000 in accounts at Consumers Credit Union.
- PFC job & wage data – Understanding that part of our economic impact is creating and maintaining availability of quality jobs, I submit the following data for your consideration:



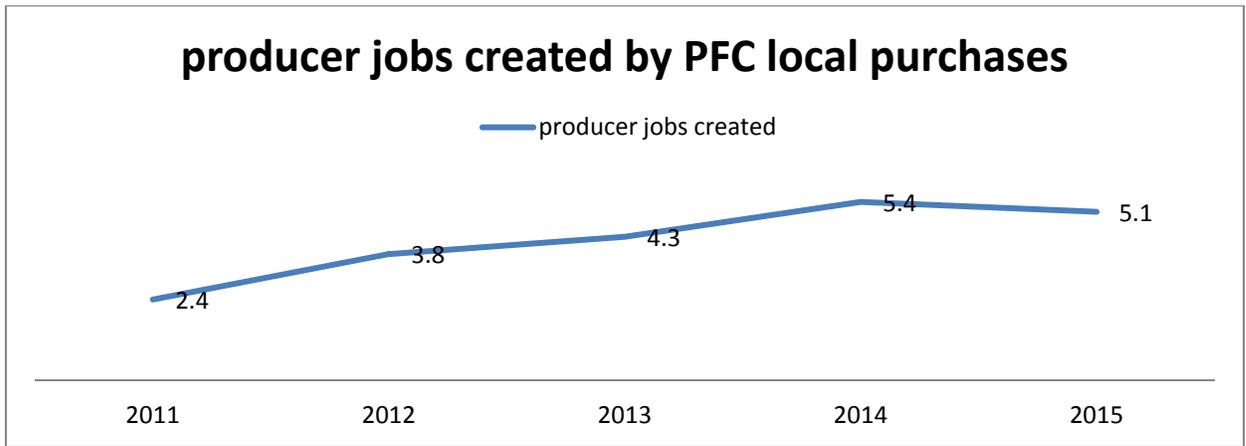
From the above graphs, you can see that 2011 through 2014 we had been steadily increasing the hours of work available at PFC. Through 2014, we had been working with a Livable Wage Commission made up of PFC employees from all departments, and with the goal of supporting our staff better and keeping more of our staff through the anticipated changes in our market, in late 2014 we decided on a wage increase for all staff (excepting the GM). Starting January 1, 2015, all hourly rates increased by a varying percentage based on level of responsibility.

Here is how it broke down:

- ❖ Manager wages increased by an average of 3.2%
- ❖ Lead level employee wages increased by roughly 5.4%
- ❖ Buyer level employee wages increased by an average of 6.3%
- ❖ Entry level employee wages increased the most by roughly 8.6%

This step compressed wages, but resulted in an overall increase for all staff members which you can see in the uptick on the right hand graph.

- PFC's local purchasing efforts translated into rough job FTEs – Making some assumptions about farm worker wages and % of farm revenue going to pay farm workers, we can extrapolate the number of jobs created through our local purchasing program.



Assumptions:

- ❖ In 2012, the average yearly income for farm workers was \$33,320 (<http://www.extension.iastate.edu/agdm/wholefarm/html/c1-60.html>)
- ❖ In 2011, farm wages account for less than a third of farm revenue (<http://www.nytimes.com/roomfordebate/2011/08/17/could-farms-survive-without-illegal-labor/the-costs-and-benefits-of-a-raise-for-field-workers>). I'll assume 30%.

On all aspects of our Ends, and taking note of improvements needed as noted, overall **I report progress.**

Respectfully submitted April 3, 2016 by Chris Dilley, general manager