



437 Dimmocks Mill Road, Suite 10
Hillsborough, NC 27278

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Give Your Feedback on the 2020 Goals:

- What excites you about these goals?
- What difference will it make if WSM accomplishes them?
- How can our impact be measured?

Send your ideas to board@weaverstreetmarket.coop or leave us a note in the customer feedback boxes in the stores.



Owners
update your
contact
information
here

Help Our Co-op Communications Go Green!

Help us get our mailings to you at the correct address, or choose to receive them electronically. You can update your contact information and/or make the change to electronic delivery in 1 of 3 ways:

- Complete an online change form: Look for this GREEN LEAF ICON on the WSM website. (weaverstreetmarket.coop)
- Complete a change form at the owner kiosk or service counter in the stores.
- Send an email with the changes to feedback@weaverstreetmarket.coop.

Historic Carr Mill 200 N. Greensboro Street, Carrboro 919.929.6626 panzanella.coop



Eat local at
our Co-op Restaurant

panzanella 20% Off Coupon

20% OFF the entire check total (excludes alcohol) SUNDAY - THURSDAY ONLY. One time discount. Coupon must be presented to receive discount and not valid with any other offer. Alcohol not included. Good through October 9, 2012.

WSM Owner # _____

Weaver Street Market

Carrboro

Southern Village

Hillsborough

weaverstreetmarket.coop

2012
annual
report



panzanella



you're invited!

WEAVER STREET MARKET
**annual
meeting**

Monday, September 24
6:30 - 8:30 pm

Panzanella Restaurant,
Carr Mill Mall

6:30 pm Light Buffet
7:00 pm Meeting

Join the conversation
about the 2020 goals

your community gathering place

Weaver Street Market's Board Envisions an Exciting Future

WSM's Board is excited about the future. We have just completed a third consecutive profitable year. Our financial success enables us to pay a dividend three-times as large as last year's and still save for the future. We have three thriving downtown stores and a state-of-the-art Food House production facility for local deli, bakery, and meat products. A steadily increasing number of local producers provide us with high-quality local products, and a committed group of support organizations work with us to expand local food in our communities. The societal need for what we offer is greater than ever before. And most important, we have over 15,000 consumer owners and 150 worker owners who are interested in making a difference.

We believe that our co-op can have a major impact on key societal issues that face us today: community health, local food economy, vibrant gathering places, and global warming. As individuals it can be overwhelming to address these issues. However by working together as a co-op we can tackle these issues and make a meaningful difference. In order to maximize our impact, we propose four multi-year goals that will guide our efforts for the rest of the decade until 2020: 1) Make healthy eating accessible, tasty, and fun; 2) Drive the growth of local and sustainable foods; 3) Invigorate downtowns; and 4) Use zero energy, create zero waste, and promote responsible packaging. (See center pages for more information about these goals.)

We want to build a shared understanding of the goals among all co-op stakeholders. What difference will it make if we accomplish them? How will the world be different? How can our impact be measured? Please give us your ideas by coming

to our Board tables in front of the stores on September 15-16 and coming to the Annual Meeting on September 24, or you can contact us at any time at board@weaverstreetmarket.coop.

As we develop alignment around the goals, we want your help to spark a co-op wide effort to accomplish them. One way we can expand our impact is by recognizing the power we have when a group our size determines to make changes. Consider the impact we make already. Last year by choosing to shop at WSM instead of a chain store, we contributed an additional \$7.2 million to the local economy. By shopping in our downtown locations, we brought over 1.5 million customer transactions to the heart of our communities. By sourcing and preparing local food, we sold over 200,000 loaves of local organic bread and over 1 million local eggs. This is just the beginning of what we can accomplish.

Another way each of us can contribute to accomplishing the goals is by offering our expertise and resources in a focused manner. We call this "Co-opSourcing" and have provided some initial ideas on how this can work on the center pages. With so much expertise and so many resources in our community, the potential for Co-opSourcing is enormous.

We look forward to discussing the 2020 goals with you. We hope you are as excited about Weaver Street Market's future as we are.

- WSM Board of Directors

Dave Bright
Ruffin Slater
Lisa Best

Audra Marotta
Linda Stier

Zack Robertshaw
Curt Brinkmeyer



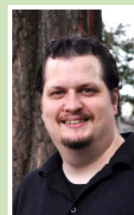
Dave Bright, Ruffin Slater, Lisa Best



Audra Marotta, Linda Stier



Zack Robertshaw



Curt Brinkmeyer

Give Us Your Feedback on the 2020 Goals

come to the meeting

Annual Meeting
Monday, September 24,
6:30 - 8:30 pm, Panzanella

Come and offer feedback on the 2020 goals.
We want to hear from you!

talk to Board Members

Southern Village:
Saturday, September 15, 10 am - 12 pm
Hillsborough:
Saturday, September 15, 10 am - 12 pm
Carrboro:
Sunday, September 16, 11am - 1 pm

Top 5 Hillsborough's Churton Street
is recognized as one of the
top 5 Main Streets in NC

\$38,270
Donated to Local Schools

260
Employees at WSM

How Does Weaver Street Check Out?

11,836 Farm visits on
Piedmont Farm Tour

\$30,000 Raised to support the Carolina
Farm Stewardship Association

93,000
Bottles of Local Milk
in glass bottles

1 million
Local Eggs

27,000
Containers
of Local Berries

220,000
Loaves of Local
Organic Bread

The Community Benefits from WSM's Financial Success

LOCAL ECONOMY



1.5 million

WSM Customer Transactions Downtown

\$7.2 million

Additional **LOCAL economic impact** created by WSM compared to the same dollars spent at a chain grocery

150

LOCAL Farmers and product Producers working with WSM

CONSUMER OWNERS



15,000

Consumer Owners that shopped at WSM

\$68,000

Saved through **Owner Specials**

15%

Owners **save up to 15%** on a shopping trip in October last year and again this year.

3x

Bigger patronage dividend than last year

EMPLOYEES & WORKER OWNERS



5%

Average **annual wage increase** last three years, compared to 2-3% average for other businesses

75%

Employees **eligible for health insurance** compared to 56% for chain grocers

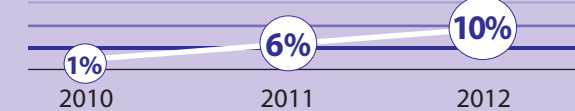
3x

Bigger patronage dividend than last year

WSM 2012 Financial Highlights

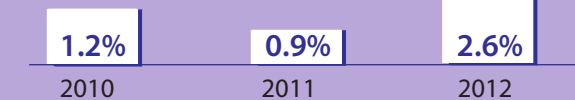
Sales growth is increasing:

Sales Growth



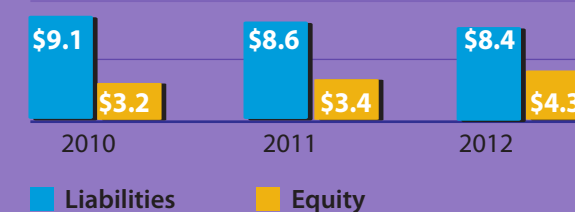
Profits are up:

Profit %



WSM is saving more of our profits, which builds equity and reduces debt.

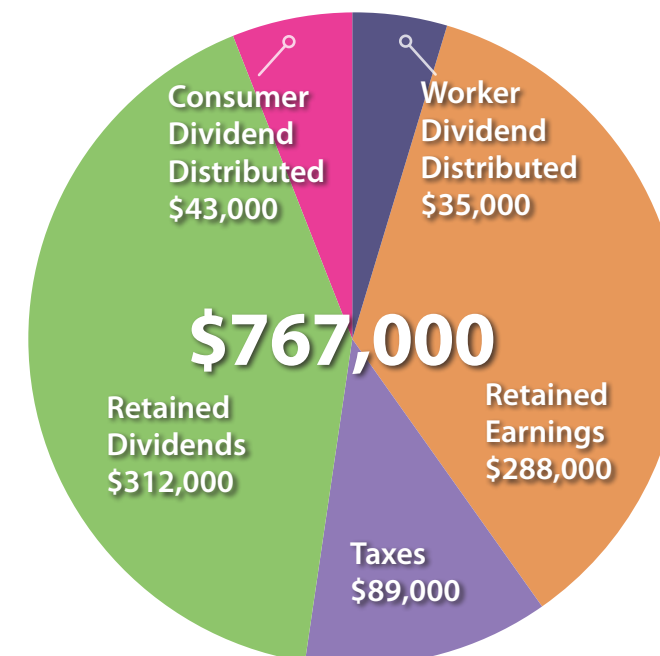
Liabilities and Equity (\$ millions)



Income Statement	2012	2011	2010
Sales	29,706,056	26,955,343	25,373,988
Cost of Goods/Occupancy	18,619,287	16,884,933	15,737,807
Gross Profit	11,086,769	10,070,410	9,636,181
Labor Expense	6,567,267	6,003,880	5,637,123
Operating Expense	2,456,300	2,462,962	2,448,864
Depreciation/Interest	1,295,936	1,359,605	1,248,371
Operating Profit	767,266	243,963	301,823
Profit as % of sales	2.6%	0.9%	1.2%

Balance Sheet	2012	2011	2010
Assets			
Current Assets	2,693,466	1,607,811	1,245,476
Property/Plant/Equip	9,615,517	10,124,824	10,755,494
Other Assets	308,148	306,705	300,000
Total Assets	12,617,131	12,039,340	12,300,970
Liabilities			
Curent Liabilities	1,828,241	1,729,257	1,926,992
Long-Term Liabilities	6,530,040	6,864,245	7,164,872
Total Liabilities	8,358,281	8,593,502	9,091,864
Equity			
	4,258,850	3,445,838	3,209,106
Total Liabilities/Equity	12,617,131	12,039,340	12,300,970

Co-op Profits Stay within the Community



Consumer Patronage Dividend Distributed. WSM distributes a percentage of profits based on how much a consumer owner spends in a year.

Worker Patronage Dividend Distributed. WSM distributes a percentage of profits based on how many hours a worker owner works in a year.

Retained Dividends help WSM save for the future and build equity. The Board decided to retain 80% of both the consumer and worker dividend in 2012 to save for future needs and to build co-op equity.

Retained Earnings is the profit generated from non-owner business. It is not eligible for the patronage dividend.

Income Tax. WSM pays Income Tax on Retained Earnings but not on Patronage Dividends. Increasing sales to owners reduces taxes and helps keep more money in the local economy.

Four goals that show what's possible by pursuing economic viability, social responsibility, and environmental stewardship.

2012

2020

1



Make healthy eating accessible, tasty and fun:

We will work with our owners and customers to promote practical and effortless solutions that will improve the way our community eats.

2



Drive the growth of local and sustainable foods:

We will develop new suppliers, produce more local food ourselves, and provide co-op owners with tools to track their purchasing patterns. We will mobilize community resources to achieve ambitious goals for local and sustainable food sales.

3



Invigorate downtowns:

We will make WSM stores even more vibrant and fun, and attract more people downtown. We will open new downtown stores at a similar pace to the three units we opened last decade.

4



Use net zero energy, create zero waste, and promote responsible packaging:

We will dramatically reduce energy use and install commercial solar, take responsibility that all of our packaging can be reused or recycled, and keep our waste out of the landfill.

Give your feedback
on the 4 goals

What excites you about these goals? What difference will it make if WSM accomplishes them? How can our impact be measured?

Please give your ideas at the Board tables in front of the stores on September 15-16, at the Annual Meeting on September 24 or email board@weaverstreetmarket.coop.

Co-opSourcing brings together our community's experience, creativity and resources to accomplish co-op goals.

HOW Co-opSourcing WORKS:

Learning

Co-opSourcing starts with learning about WSM's four goals. These goals address significant societal issues so there is a lot of information out there and much to learn. The **goals are central to WSM's mission** and work is already underway. These goals are more ambitious because the needs are more urgent, and WSM's capabilities are greater.

Commitment

Commitment to the goals is where **magical things begin to happen**.

The poet Goethe wrote: "The moment one definitely commits oneself, then Providence moves too. All sorts of things occur ... that would never otherwise have occurred. A whole stream of events issues from the decision, raising in one's favor all manner of unforeseen incidents and meetings and material assistance, which no one could have dreamed would have come their way."

Engagement

Engagement can take many forms. Part of the magic of Co-opSourcing is that we can't predict where the biggest contributions will come from. **Stakeholders will add unique experiences and perspectives**, pool resources and contribute crucial knowledge to solve problems. Given such a smart and committed community, the potential is enormous.

Tracking Progress

Stakeholders will **monitor progress** and keep abreast of new challenges in order to identify new Co-opSourcing opportunities.



Cooperative Community Fund

Helping organizations connect people in need with fresh, local food

Thanks to generous contributions from owners and customers, **three local nonprofit organizations will receive a total of \$1,800 in grants from the Cooperative Community Fund.** A committee of seven consumer and worker owners selected these recipients for their innovative and inspiring work in connecting people in need with healthy whole food.



photo by Donn Young

Farmer Foodshare volunteers collect produce donations at the Carrboro farmers' market

\$600

to Initiate Farmscaping at Chestnut Ridge Camp

At Chestnut Ridge Camp, community members, service groups, as well as campers participate in the Community Farm. The farm uses organic and sustainable practices. Part of the produce from the farm is shared with the community through low-cost garden memberships and donations to food pantries. The organization requested funds to implement a holistic ecological approach to pest management called "farmscaping." The farmscaping plan will be implemented through a community workshop.

“

Weaver Street Market has been incredibly supportive to Farmer Foodshare from day 1 -- from providing us with boxes to advice and encouragement. We are so thankful for this grant and vote of support.

---Margaret Gifford, Farmer Foodshare

”

\$600

for Chalkboard Easels for Farmer Foodshare

Farmer Foodshare hosts Donation Stations at 11 farmers' markets. At the stations, the organization collects cash and food donations from shoppers and farmers, which they distribute to people at risk for hunger in the Triangle area. Through this program, farmers and shoppers have donated over 100,000 pounds of fresh food, and the organization has purchased more than \$24,000 of food from local farmers. Farmer Foodshare requested funds for chalkboard easels to display information at their Donation Stations.

\$600

for More Meals at Meals on Wheels

Last year Chapel Hill-Carrboro Meals on Wheels provided 20,000 nutritious hot meals and home visits for the elderly and disabled in Chapel Hill, Carrboro, and the surrounding areas. The organization requested funds for its "Meals for the Homebound" program, which provides a hot meal to 115 recipients daily. The funds were requested to help offset the staggering rise in food costs and the large increase in requests for help (25 percent for two consecutive years).

Co-op community fund endowment grows in 2012

Fall & Spring Wine Shows **\$8,200**

Hope for the Holidays Purchases **\$5,500**

Donated Dividends & Shares **\$2,200**

Steve Bos Memorial **\$1,250**

Endowment now **\$81,000**
TOTALS:



WSM Celebrates Cooperatives at the "Co-op A Fair"

In July WSM's Board of Directors and staff joined Cabot Creamery and 20 other local co-ops to celebrate the International Year of Cooperatives at the Co-op A-Fair. The event provided an opportunity for the directors and staff to interact and exchange ideas with representatives from local cooperatives, including credit unions, energy cooperatives, farmers associations, and consumer cooperatives. Most important, the event provided an opportunity for the co-ops to join as one voice in advocating cooperatives as a viable business model that is driven by values not just profit.



Locally Grown Organic Cotton T-Shirts are Available at WSM

Earlier in the year **Weaver Street Market was one of the first area businesses to invest in TS Designs' first harvest of locally grown organic cotton.** Our \$15,000 investment helped TS Designs offer a totally local organic t-shirt – grown and made, all in North Carolina. Look for our new locally grown organic cotton t-shirts in all three stores this month.

save the date!

wine shows at the following locations:

Carrboro: Saturday, October 6, 1-5 pm

Southern Village: Saturday, October 13, 1-5 pm

Hillsborough: Saturday, October 20, 1-5 pm



17th Annual Piedmont Farm Tour Still a Huge Success!

Weaver Street Market's 17-year commitment in the Piedmont Farm Tour once again proved to be a huge success this past April. Already the **nation's largest farm tour**, this year's tour broke an all-time button sales record by **generating nearly \$30,000 to support the Carolina Farm Stewardship Association.** Over 3,000 folks made 11,836 farm visits! The Piedmont Farm Tour is held the fourth weekend in April and is co-sponsored by Weaver Street Market and the Carolina Farm Stewardship Association.

In Memory



In 2012, we lost a valued member of our Board of Directors, Steve Bos. Steve joined the co-op staff in 2006, and quickly became one of its leaders, cherished among employees, customers, and the Board. The Board appointed Zack Robertshaw to the vacant worker owner seat where he will serve in Steve's place until the election of a new worker owner director. Zack is a past Board Member from 2003-2005 and is a prepared foods/specialty manager in the Southern Village store.



Meet the Consumer Owner Candidate for the Weaver Street Market Board of Directors

Michael Marotta

Current profession or occupation: I am currently a senior program manager at BlueCross BlueShield of North Carolina, leading an advanced integration team that will transform the technology with which the largest health insurer in the state services members in North Carolina and beyond. My role has continuously evolved at BCBSNC over the last 8 years. I have worked in many different capacities: on-call duties supporting operations in the wee hours of the night, helping build more robust financial systems and financial reporting workflow, collaborating with strategic leaders to outpace our competition on delivering healthcare innovations for North Carolinians, and interviewing citizens and physicians to understand the challenges of healthcare at the local level.

Previous profession or occupation: I started my professional career as a tradesman occasionally optimizing the efficiency of our drafting computers before moving to injection molding. Feeling a need to collaborate more intimately with people, I shifted to a role of computer systems guru, solving problems on the technical floor as well as the back office. I later accepted a position at Computer Sciences Corporation as a distributed systems architect.

My wife and I moved to NC in 2003 and once here, I spent several months working with various small business owners helping them recover from hackers, virus attacks, wayward employees, and hostile takeovers. It was during this period that I found myself working for one of the largest employers in the state (BCBSNC). I helped Blue understand and resolve systemic system issues. Feeling I had achieved as high of

success as possible with computer systems, I pivoted my career and went full speed into another side of business, people. I was fascinated by how the decisions were made that could change people's lives. Talking through tasks with people to understand their needs, I worked with them to automate reduce and simplify their interactions with business systems.

Current and previous community involvement: Over the past year I have worked with some leading physicians across the state to understand how they are actively changing healthcare delivery and education in their communities. I have spent hundreds of hours talking with North Carolinians about their healthcare challenges. I view it as my mission to educate everyone on the challenges and opportunities in healthcare all across the state. Based on my discussions I personally believe that the best place to start that healthcare conversation is with food.

We all should do our best to educate ourselves and our communities on the health value of food. With the right vision and support, all of us can change the health of our communities.

Why would you like to serve on the Board of Directors?
As a consumer owner of Weaver Street since 2007, I have closely followed the progress of

the co-op through the economic downturn. I have watched the board's actions closely, independently analyzed their decisions and on occasion discussed key issues with other members. It is through this interaction and consumer owner commitment that I feel I am well-versed in the mission of Weaver Street and the board's challenges. In my own life, I have focused on the necessity of healthy food, which has led to positive physical results. I see board membership as a natural extension of my lifestyle and values.

Briefly describe any experience you have had with worker or consumer cooperatives or with other small community-minded businesses.

For the past three years, my wife and I have
(continued)



meet Michael!

& talk with him
at the following locations:

Southern Village:
Friday, September 21, 5 -7 pm

Hillsborough:
Friday, September 28, 5 -7 pm

Carrboro:
Saturday, October 6,
11:30 am to 1:30 pm

Use a SEPARATE ballot for each person on the share.

Consumer-Owner Representative Ballot for Weaver Street Market Board of Directors

Vote for one candidate.

☐ Michael Marotta

Ballots must include the following to be counted:

Your Name

Owner Number

Thanks for voting! Your co-op welcomes your participation. Consider running in next year's election.

Must be received by 10 am, October 8 MAIL TO: Election at Weaver Street Market, 437 Dimmocks Mill Rd., Suite 10, Hillsborough, NC 27278 OR DEPOSIT: in Ballot Box near the check-out at any WSM store.

Each share type is entitled to the following number of votes:
1 - person share (\$75) - 1 vote 2 - person share (\$135) - 2 votes 3 - person or more share (\$175) - 1 vote for each adult listed on the share.
Additional ballots available at the Ballot Box and cash registers in each store.

Use a SEPARATE ballot for each person on the share.

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☐ Michael Marotta

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Use una balota separada por cada persona en la accion.

Boleto de Voto para Socios que son Clientes Para la Junta Directiva de Weaver Street Market

Vote por un candidato.

☐ Michael Marotta

Boletos deben incluir lo siguiente para ser contado:

Su Nombre

Numero de Socio

Gracias por votar! Su cooperativa le agradece su participación. Considere participar en las elecciones del próximo año.

Debe ser recibido a las 10:00 am del 8 de Octubre.
ENVIE POR CORREO A: Election at Weaver Street Market, 437 Dimmocks Mill Rd., Suite 10, Hillsborough, NC 27278 ó depositela en las urnas localizadas cerca a los cajeros en lastiendas WSM.

Why Vote?

Co-ops are built both on the principle of representation and the value of participation. Voting reinforces your commitment to that process, and it's a show of support for the individual who has stepped up to be a leader in your co-op for the next two years. Your vote matters!

(continued)

had a small consulting business working with small businesses and startups. We have travelled all across the state talking to local business owners about their challenges, dreams, and vision for their communities. From a brewery that was working through the challenges of recycling its wastewater for crop irrigation, to an iconic culinary destination striving to retain its personal connections in the face of bleeding edge technology—sustainability, personal connection, and community involvement seem to be on everyone's mind. It is inspiration from these experiences and conversations that I have begun work on a business

plan for a mixed media art gallery cooperative for regional artists. I believe that exposure to the board's initiatives and governance processes at Weaver Street will allow me to greater understand co-op specific issues, construct a stronger vision, and find like-minded people that can help build this new community space.

Briefly describe any experiences you have had developing organizational policies or plans that reflect the values of that organization. My research work with physicians and citizens at BCB-SNC is the embodiment of both interpreting an organization's vision and helping to shape that vision into the future accordingly. While back-

office policy meetings are important for any business, getting out and talking to the customers is the key ingredient to any successful business. I am proud that BCBSNC believed in me enough to represent their brand and to have these types of conversations with their most important customers, you. I would be honored if you the consumer owners of Weaver Street would afford me the same luxury of representing and communicating with you about an issue I am very passionate about: "access to local organic foods."