





LETTER FROM THE BOARD

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The Weaver Street Market Board of Directors, left to right: Barbara Keith, Alicia Altmueller, Linda Stier, Dave Bright, Jon McDonald, Charles Traitor, Ruffin Slater.

This January, the Board finalized WSM's new Ends Statement, which states our desired impact on the world:

A vibrant, sustainable food marketplace—defined by shared economics, shared community, and shared knowledge; driven by widespread and diverse participation; for owners and potential owners.

To create a vibrant, sustainable food marketplace, WSM has set four ambitious **2020 goals**:

- 1. Make healthy eating accessible, tasty, and fun.**
- 2. Drive the growth of local and sustainable foods.**
- 3. Invigorate downtowns.**
- 4. Use net zero energy, create zero waste, and promote responsible packaging.**

You can see our accomplishments and our exciting plans to accomplish these goals by clicking on the 2020 goals tab, above.

A sustainable food marketplace is guided by **shared economics**. For workers, this means good pay, benefits, and the opportunity for advancement. For consumers, this means having a store dedicated to meeting your needs for great products at affordable prices from trusted producers. And for our jointly owned co-op, shared economics means maintaining a solid financial footing. We are pleased to report our co-op is **financially stronger than ever** and poised for the future.

Shared community is one of the most important aspects of WSM. We are owned, oriented, and operated for the benefit of consumers, workers, and the greater community. WSM embodies shared community—sharing ideas, voting, serving on the Board, gathering with others, enjoying events, participating in our Community Food Partnerships making healthy food accessible to low-income families and individuals. This is ours.

Shared Knowledge is a key to our cooperative difference. It means that owners understand the opportunities and constraints for our co-op as it relates to the greater food marketplace. It also means that we promote the benefits of the co-op business model.

WSM serves current owners and potential owners. Other communities want to benefit from the experience that WSM has brought to downtown Carrboro, Hillsborough, and Southern Village. Over the last year, we have been discussing a new store location with community leaders and hope to have information to share soon.

Updating our Owner Share System

The Board thinks that WSM needs to update our owner share system to raise the share price and to give each share one vote. The share amount hasn't increased since WSM opened in 1988, even though other prices have more than doubled in that period. One vote per share is almost universal among co-ops. In contrast, our current system of differing votes per share is difficult to communicate and administer.

Specifically, we are considering these changes.

- Change to a single share size that costs \$150 and has one vote. The current shares cost varies by household size, costing \$75, \$135, or \$175 for a one, two, or three-or-more adult household, with one, two, or three or more votes, respectively.
- Include a low-income share for \$25. A higher share amount potentially limits who can afford to join, but this would be ameliorated by having a low-income share.
- Grandfather in existing owners at whatever share amount they have paid. Raising the share amount for new owners won't affect current owners. When a current owner leaves the co-op, we would continue to refund whatever share amount they paid, as we do today.
- For those who have paid more than \$150, refund the difference.

The Board will discuss these changes at our meeting on September 14 at 6:30 PM at the WSM Food House. Please join us for that discussion, talk to us at the Co-op Fair, or send us your thoughts at board@weaverstreetmarket.coop.

Driven by Participation

WSM is a shining example of a thriving, co-op business focused on the community good. The success of WSM is driven by the participation of co-op owners. We invite you to participate in these ways:

- Come to the Co-op Fair to learn more about our co-op and our producers and to talk to the Board.
- Learn about our 2020 goals and how you can participate by the way you shop and eat.
- Volunteer to assist with one of our community projects or upcoming groups.
- Come to a monthly board meeting, typically on the second Wednesday at 6:30 PM at the Food House.

Thank you for taking our on-line survey. This survey will help benchmark us with other exemplary businesses and give us ideas for how to improve. (NOTE: the survey period has ended)

GOAL 1: HEALTHY EATING

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.*

WSM owners provide healthy food to neighbors in need



Our Community Food Partnerships program partners with four local hunger-relief organizations—PORCH, TABLE, Orange Congregations in Mission (OCIM), and Interfaith Council for Social Services (IFC)—to develop year-round access to healthy food for those in need in our communities.

In 2016, support for these groups grew by 40%, with total donations surpassing \$172,000—enough food for 249,000 healthy meals. Our “Bags of Fresh Produce” campaign raised enough funds to provide 1,400 35-pound boxes of fresh fruit and vegetables for the Burmese refugees served through PORCH’s Food for Families program. Our “Backpacks of Healthy Food for Kids” campaign provided eight pounds of healthy food for 3,100 backpacks for the kids in TABLE’s Summer Backpack program.

“We were blown away by the generosity of your WSM community of shoppers and staff who went above and beyond to raise \$42,000 for PORCH-CHC and PORCH-Hillsborough. We are thrilled that we will be able to grow the Food for Families program again this year, in large part due to the valuable partnership with WSM. The impact will be felt by many whose street will be lower thanks to supplemental, healthy food for their families.”

**Christine Cotton, Debbie Horwitz,
Susan Romaine—PORCH organizers**

Thanks to the generosity of WSM owners, shoppers, and staff, both PORCH and TABLE continue to increase the number of families and kids they serve. TABLE anticipates reaching its goal of serving 500 kids this year, an increase of 150 kids since we started our campaign, and PORCH recently increased the number of families it serves from 270 to 350 families.

WSM staff help each other say YES! to healthy eating

Weaver Street workers have formed a healthy eating team to support coworkers in making healthy food choices. Our team identified two initiatives to help workers meet healthy-eating goals.

Create a healthy-eating guide based on Harvard’s *Healthy Plate* and David Ludwig’s *Always Hungry?*

- Provide information to motivate workers and guide us to make changes.
- Provide checklists, tips, food charts, and food suggestions.
- Include a list of WSM foods and products that are the healthiest choices.

Develop a “turn-key” healthy-eating solution

- Provide reduced-cost healthy prepared foods and coupons.
- Provide support—employees helping employees—such as buddies, an online forum, and dinner parties.
- Include two other keys of healthy living—daily activity and stress reduction.

New food pyramids guide our healthy-eating goal

WSM’s emphasis on providing fresh produce for shoppers and workers matches Harvard Public Health School’s *Healthy Eating Plate*, which recommends 50% fruit and vegetables, 25% whole grains, and 25% healthy protein with moderate use of healthy vegetable fats.

Harvard physician David Ludwig’s new book *Always Hungry?* focuses on the type of food you eat rather than the number of calories. If you eat natural food—and avoid sugar and processed foods—you can eat until full and snack when hungry, and still reach your optimal weight.

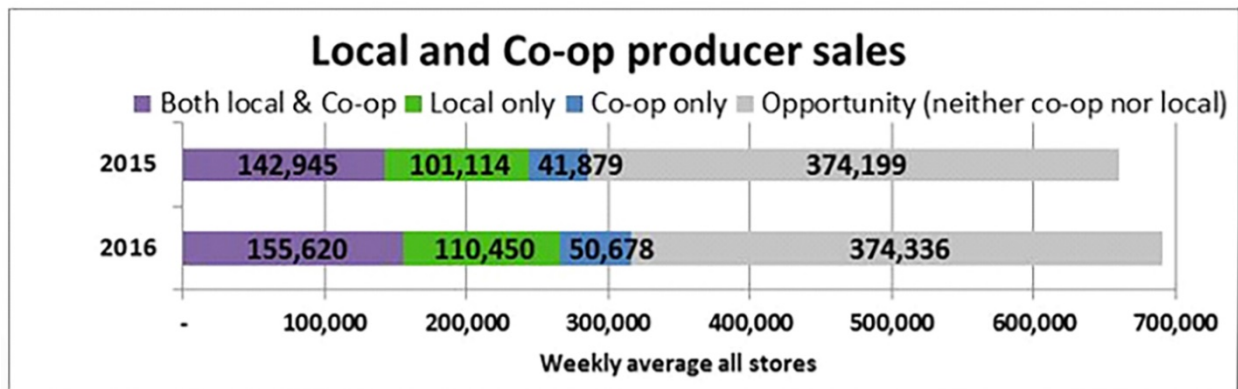
GOAL 2

Drive the growth of local and sustainable foods: We care about where our food comes from and the practices of our suppliers. Our goal is to buy from producers that we know and trust. This means buying from small, local producers, or else from co-op and fair trade producers.

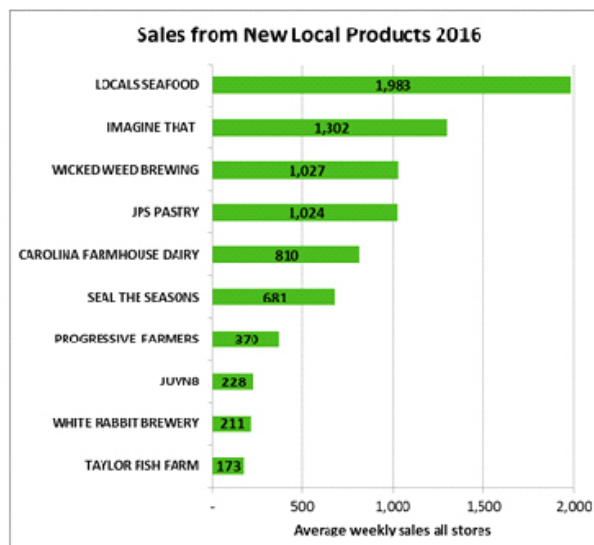


Local and sustainable food sales are growing

Last year about half the products that we sold came from local and co-op producers, which is far above any other grocer. In fact, 100% of last year's sales growth came from local, co-op, and WSM-produced products.



Several new producers drove the growth of our local sales last year. The chart below shows the ones with the biggest impact.



Our emphasis on local is paying off. Orange County is seeing improvements in our farm economy, as this infographic demonstrates.

Sales from co-op producers are growing

Two of our top four produce items—bananas and avocados—are from farmer co-ops that work through Equal Exchange. We launched La Riojana fair trade wines in the United States, which are now sold in co-ops across the country. Many of our dairy products come from the farmer co-ops Organic Valley and Cabot Creamery.

We still have work to do

Owners sometimes give us feedback about products that don't measure up to our standards in some way. This feedback helps us prioritize our efforts. It often takes a while, but we usually find a solution. In 2015, in response to concerns about employee benefits at Eden Foods, we found alternatives to their products and discontinued them. In 2016, we found a local alternative to Poland Springs water, which was objectionable because it was owned by Nestle.

Recently owners urged us to find an alternative to Driscoll berries, which some owners are boycotting due to grower practices. Local strawberries have only a five-week season, so we need to find creative ways to provide berries the rest of the year. We sell "winter berries," which are grown in hoop houses in NC. We partner with Seal the Seasons to offer frozen local berries year around.

We know our owners rely on us to meet their shopping needs, and we don't want shoppers to be unsure what they can buy this week. Until all of our products are local or co-op produced, we fill in with products from conventional producers. Being a place where the entire community can shop enables us to drive the growth of local and sustainable foods.



GOAL 3

Invigorate downtowns: Weaver Street Market strategically locates stores in downtowns to maximize our community impact. Our customers make 30,000 visits to our stores each week, which creates a multiplier effect that drives other downtown business. Our stores also serve as vibrant community gathering places. Our approach is to enhance our existing downtowns and bring WSM stores to additional nearby downtowns.



New patio at Hillsborough store

Last year we installed a new brick patio in front of our Hillsborough store and planted an additional shade tree. These changes transformed the space, making it even more popular for dining and gathering. The Hillsborough store is a true community center and popular starting point for the new Riverwalk.

Expansion coming in Southern Village

In June we purchased our Southern Village store. In early 2017, we will expand the store and improve the outdoor area. The improvements include the following:

- Adding on to the front of the building, which will create additional retail space for produce. It will have a farmer's market feel with large windows facing the street.
- Adding an indoor/outdoor dining area with retractable glass garage doors on the side of the building. This will take advantage of the morning sun and extend outdoor activity around the corner to a second street.
- Creating an outdoor seating area along the street edge for dining and gathering. This involves removing two of the angled parking spaces, extending the brick sidewalk, and planting an additional tree for shade cover.



Planning to improve the Carrboro lawn

In the coming year, we plan to consult with Carr Mill and the Town of Carrboro about how to improve the front lawn of the Carrboro store. These improvements will address erosion of the lawn from heavy usage and make it even more attractive as a community gathering place.

Expanding our impact with additional stores

We are talking to community leaders who are interested in bringing a WSM store to their downtowns.

Opening new stores is mutually beneficial to the new downtowns and our existing communities. For the new downtowns, we transform underused space into a vibrant retail center that attracts shoppers downtown, and we create vibrant community gathering places for the new communities. Adding additional stores benefits current WSM owners by providing needed economy of scale to lower our cost of goods, increase efficiency, and withstand competition from large chains.

Our process for opening new stores involves a deep partnership with the new community, including joint planning and sharing of costs. This process ensures the best possible store that is designed around meeting the unique needs of that community.

How Weaver Street Market stores benefit downtowns:

- **Provide award-winning bakery and prepared foods made fresh daily**, and the largest selection of local and co-op produced foods.
- **Provide healthy eating solutions**, which address American's most pressing public health challenge.
- **Provide funding, technical assistance, and volunteers** to non-profits working to end hunger.
- **Drive the growth of local and sustainable food**.
Provide a ready market for local and co-op producers. Provide technical assistance and financing to help new local producers grow to scale.
- **Create downtown vibrancy** by attracting thousands of retail customers each day who shop at nearby businesses, visit nearby attractions, and attend community events. Activate the area with foot traffic, outdoor dining, concerts and other free special events. Help governments ensure that downtown amenities are successful and well-utilized.
- **Create a model environmental store** that approaches net zero energy and creates zero waste by recycling or reuse.
- **Create 50 new jobs** that reflect the diversity of downtown with an average hourly wage of \$15/hour, health and retirement benefits, and an annual dividend based on profits.
- **Raise the profile of the co-op business model** by creating a highly visible example of a thriving community owned business.

GOAL 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.



Continued energy savings through new infrastructure

Last year, we were thrilled to announce the energy savings brought about by the remodel of our Carrboro store: electrical use was down 50 percent! This year we're installing a new HVAC system in Carrboro, so we should see another significant reduction in energy use.



The Daikin VRV (Variable Refrigerant Volume) heat pump system is about 40 percent more efficient overall than a conventional heat pump system. Case studies have shown the system to be 60 percent more efficient while cooling in the summer. The system also allows for “free cooling” using outside air during moderate weather, such as in the fall and spring, further reducing energy use.

We're also working on adding doors to the coolers in our Southern Village and Hillsborough stores, similar to the closed cases in Carrboro. Case enclosure should cut electricity use by about 75 percent. A third project involves replacing the fluorescent lighting tubes in the display cases with LED tube lights; the energy savings here is 55 to 60 percent.

Introducing the zero waste planning group

As part of the discussion of Weaver Street Market's behind-the-scenes plans for the upcoming year, a group of employees met to discuss our zero waste and energy goal. They identified several next steps for moving forward with the goal:

- Improve our kitchen and bakery waste diversion by developing best practices for recycling and composting.
- Identify examples of effective disposal bin signage and install the signs in our cafes.
- Monitor our progress toward zero waste with tracking software, using the weights of our diverted materials from our haulers.

Sustainable packaging is coming

We are always searching for the most sustainable packaging for our prepared food. There's no perfect solution, but we continue to search for the best option, in line with our co-op goal of zero waste. Through the years, we've tried various options, from recyclable #5 to compostable PLA plastic. We're currently exploring a biodegradable paperboard container made with a parchment coating that allows it to be compostable. (Soiled paperboard containers, like pizza boxes, are not recyclable but can be composted in the collection bins in our stores.) The paperboard results in less greenhouse gas emissions and is made from a renewable resource, unlike plastic.



It's the little things

In our continued effort to “go green” in the office, we’ve started sending new owners their coupons electronically. This saves paper and envelopes, as well as person-power, plus we can link the new owners to helpful tips and update the emails seasonally. Our finance department now pays 80 percent of our vendors electronically. Although this only saves us about 100 envelopes per week, it also saves time, postage, and labor, and it decreases the carbon footprint to get the check to the vendor and then to the vendor’s bank. In 2017, we are switching our biweekly employee newsletter from a paper format to electronic. We’re always looking for new ways to conserve.

Some reminders for our wonderful shoppers: our stores serve as drop-off sites for plastic bags and wrap, household batteries, and corks—three items that you can’t recycle in your curbside bins. The bins for these items are near the door in each store—just ask if you cannot find one. And remember that we can compost paper plates and to-go boxes, as well as all food waste (including bones). We ask customers to separate their compostables into the bin in the café. Compostables go to Brooks Contractor to be made into fertile soil.

CO-OP DIFFERENCE: SHARED ECONOMICS



A sustainable food marketplace is guided by **Shared Economics**. For workers, this means **good pay, benefits, and the opportunity for advancement**. For consumers, this means having **a store dedicated to meeting your needs for great products at affordable prices from trusted producers**. And for our jointly owned co-op, shared economics means maintaining **a solid financial footing**.

Worker well-being

One of our achievements in recent years has been to improve wages. Over the last five years, the minimum starting pay has increased from \$9 to \$12 per hour, and the average non-manager pay has increased from \$11 to \$15 per hour.

WSM offers two medical plans to provide workers a choice in cost and coverage. The most popular platinum plan ranks in the top 25 percent of all insurance plans in terms of benefits, co-pay, and deductible. It's better than plans provided by other employers of our size, and includes dental and vision coverage as well as medical.

Like other businesses, Weaver Street's health costs are going up, but we are able to control costs somewhat by being self-insured. We have an active wellness program and a worker group that works to improve benefits while managing costs.



Eighty-five percent of WSM workers participate in the 401k retirement plan. We are halfway to our five-year goal of having participating workers save over 10 percent of their pay for retirement between the 401k and the retained worker dividend.

WSM's pay and benefits put all workers above the living wage standard set by Orange County Living Wage.

Consumer well-being

WSM acts as a buying agent for our consumers and owners, finding the best products at affordable prices from vendors that we know and trust.



One of the ways that we offer great products is by making baked goods and deli items fresh daily in our Food House. These are our most popular and fastest growing products. Last year we doubled the size of our hot bar, improved the recipes on many deli products, and added new items. The Food House produces 25 percent of the products that we sell and is the largest artisan bakery, kitchen, and butcher shop of any co-op in the country.

WSM needs to compete with much larger chains that are using lower prices on natural foods to attract customers. Since we lack their buying power, we need to develop creative ways to compete on price. One way we do this is by buying direct. We were able to lower our deli cheese prices by 30 percent by buying direct from Cabot Creamery, a farmer co-op in Vermont. We work with local producers to develop efficient distribution systems to keep their prices competitive. We pool our buying power with other co-ops to offer a line of “Co-op Basics,” everyday low prices on top selling items.



We appreciate that owners expect us to source our products from trusted producers who share our values. We now buy almost half of our products from local producers and co-ops, and work diligently to increase the portion of our products that come from these trusted producers.

Weaver Street Market well-being

Part of shared economics is keeping the co-op strong financially. WSM same-store sales grew 6 percent last year, much higher than the natural food industry average. The co-op once again exceeded its profitability goal of 1.5 percent of sales and was able to pay a modest dividend.

SHARED COMMUNITY



Shared Community means Weaver Street Market is a **vibrant community hub for enjoyable work and shopping experiences, fun events, and connecting with the greater community.** This year, thanks to tremendous support from our shoppers and workers, two of our community initiatives made significant strides in providing healthy food to those in need in our community. Our **Cooperative Community Fund** will fund three community projects that connect young people and families with information and tools needed to grow or prepare healthy food. Read about this year's grants below. Donations through our **Community Food Partnerships** grew by 39 percent in our first two 2016 food campaigns, with donations totaling \$89,500. [Click here to read our feature story about this program.](#)

Cooperative Community Fund awards \$3,800 in grants

Weaver Street Market gives grants each year to local nonprofits for community projects that focus on "Access to Healthy Food." The grants come from our Cooperative Community Fund (CCF), a sustainable endowment fund for community donations. We grow the fund through contributions from owners and shoppers, including the purchase of Hope for the Holidays products, proceeds from the April and October wine shows, and donated owner dividends and shares.

This year three local nonprofits will receive \$3,800 for their proposed projects. The CCF Committee, which is composed of consumer and worker owners, selected the three recipients for innovation, collaboration, and the benefits of the projects to the community.



\$940 for Chapel Hill High School's

proposed renovations to its Student Garden Beds. "The renovations to the existing outdoor garden space will make it easier and more rewarding for our students to plant and maintain the garden. We plan to have students grow vegetables in the garden that will be used in cooking classes, taken home by students, or donated to the Inter-Faith Council. By showing our students how to grow and use fresh organic vegetables, we are improving access to healthy foods in our

Co-op community fund endowment grows in FY 2016



Fall 2015 &
Spring 2016
Wine Shows

\$18,099



Hope for
the Holidays
Purchases

\$10,060



Donated
Dividends
& Shares

\$5,042

Endowment now
TOTALS:

\$181,632

community.” The project funds will be used to repair the 25 garden beds and to purchase high-quality soil and seeds.

\$1,000 for TABLE’s proposed expansion to their field trip project—TABLE On the Go. This project builds upon the field trip project launched with last year’s grant funds. This year’s funds will support four field trips to the Carolina Campus Community Garden. “We will take approximately 25 students from four different community organizations and neighborhoods to the local garden. The students will tour the garden and participate in interactive activities. The garden provides a fun, new setting for students to learn about fresh produce and how community gardens function.” Students will participate in a number of hands-on gardening stations that teach them about



harvesting sweet potatoes, composting, mulching beds with shredded leaves, weeding beds, and pollination. They will plant seeds in a pot to take home and grow.



\$1,860 for PORCH’s proposed continuation and expansion of their nutritional education project—PORCH Cooks. “PORCH Cooks aims to increase healthy, fresh food consumption by ensuring families know how to prepare the fresh food they receive through the Food for Families program. With each month’s food bags, our families receive new recipe pages for their PORCH Cooks cookbooks along with the spices necessary for recipe preparation. Recipes are developed through collaboration between nutrition and culinary professionals, and are based on preferences expressed by the recipients in focus groups and surveys.” This year’s grant funds will be used to provide PORCH Cooks cookbooks for an additional 30 families and to provide new monthly recipes and healthy eating tips and guidelines to the families continuing from last year’s program.

“We are so grateful for our partnership which has allowed us to expand our fresh food program and provide these educational materials to maximize the use of the fresh food provided. Your support and encouragement motivate us to work harder to serve our community. Thank you for your commitment to providing access to all our local residents to fresh, healthy food and supporting organizations like ours in our mission to do the same.”

Christine Cotton, Debbie Horwitz, Susan Romaine—PORCH organizers



SHARED KNOWLEDGE

Shared Knowledge is key to our cooperative difference. It means **consumers and workers understand Weaver Street Market's vision and the plans for achieving it and provide ongoing input that improves the plan.** It also means they recognize cooperatives as the preferred business model. We're excited to report this year on three important ways in which we're building shared knowledge among co-op owners.

Co-op Celebration showcases our co-op partners

In February we held a three-week event celebrating our partner co-ops. The event featured special promotions on co-op-produced products, product samplings, and fun activities. We also celebrated the difference a co-op makes in a community and promoted these advantages of buying from co-ops:

- We get great quality because co-op farmers and artisans are invested in their work.
- We get competitive prices by buying directly from co-ops because we bypass outside distributors.
- We ensure that farmers and workers are paid fairly and have a growing market for their products.
- We expand the co-op business model in the United States and around the world by partnering with other co-ops.



Weaver Street Market (WSM) has great relationships with many co-op producers. Altogether, we purchased over \$1 million from co-ops in the last year, and we introduced several new co-op products, including the popular Riojana wines, which averaged \$4,500 in weekly sales.

Our [Celebrating Co-ops magazine](http://www.weaverstreetmarket.coop/pdf/CelebratingCoops2016.pdf) features the stories of five of our partners. Their stories are inspiring because of the challenges they overcame, and the impact they have had on their communities and the world. Read it online: <http://www.weaverstreetmarket.coop/pdf/CelebratingCoops2016.pdf>

New owners receive welcome package with weekly e-coupons

**New OWNERS**
You make a Difference to the Co-op



Thank you for joining our cooperative community! Your 8-week email series includes coupons that introduce you to some of our favorite products, producers, and store segments. We'll also include information that will help you shop at the cooperative, and suggest fun ways for you to participate with us.

**Post a photo** wearing your new t-shirt and tag @weaverstreet on Twitter and Weaver Street Market on Facebook.

**Watch a video** of our visit to TS Designs, our t-shirt printing company who works "from dirt to shirt" in North Carolina.

**Tour TS Designs yourself!** Tours are on the tenth of each month.

 **COUPON**

**FREE T-SHIRT**

Free Weaver Street Market T-shirt
locally grown cotton, local producer
One coupon per household. Coupons cannot be combined.
Print or show the coupon on your phone.

OWNER NUMBER _____ PLU # 30992

Click above to print the coupon.

New owners are a vital asset for WSM. They contribute equity through the purchase of shares ranging from \$75 to \$175. In 2016, 1,280 new owners joined the co-op, contributing more than \$115,000 in owner equity. New owners who become regular shoppers play an important role in achieving our goals for sales growth. It's important that our new owners know about our products and also feel like part of the co-op community. This spring we piloted an e-coupon welcome package to help new owners shop at the co-op and make connections with the Weaver Street Market community.

Each week for eight weeks, new owners receive an email with an e-coupon that introduces them to a product or product area, provides related information, such as shopping hints, and features fun activities. The e-coupons are worth more than \$75 (the price of an individual share). More than 700 new owners are participating in the e-coupon program. The most popular e-coupons are WSM signature products—a WSM canvas bag, a WSM t-shirt, and a free loaf of WSM bread. Our staff love the photos

owners send in, wearing their WSM T-shirts in places all over the world.



WSM's blogs keep owners up-to-date and informed

Another way we regularly provide new information and updates to owners and shoppers is through our blogs, which are located in the NEWS section of our website. We make five to seven new blog posts each week. Our blogs focus on four areas of interest to owners and shoppers:

- **Community:** Stories about our food campaigns and community food partnership, what's happening with our co-op partners, and community events relevant to our owners.
- **Favorite Recipes:** Weekly recipes and cooking tips from our demo team, producers, and staff, featuring seasonal and local ingredients as well as sale items.
- **From the Board:** Announcements and updates for owners about Board-related topics, such as reports on owner feedback, invitations to meetings and events, updates or new work being undertaken, and elections.
- **Hand Selected Products:** Posts featuring our producers' stories, introducing new local products, and telling the stories behind our house-made products. Occasionally we have posts about product recalls and decisions to not carry products.

Soon owners will be able to sign up for notification of new posts. In the meantime, follow us on Facebook or Twitter, where we frequently link to blog posts with community-wide interest.



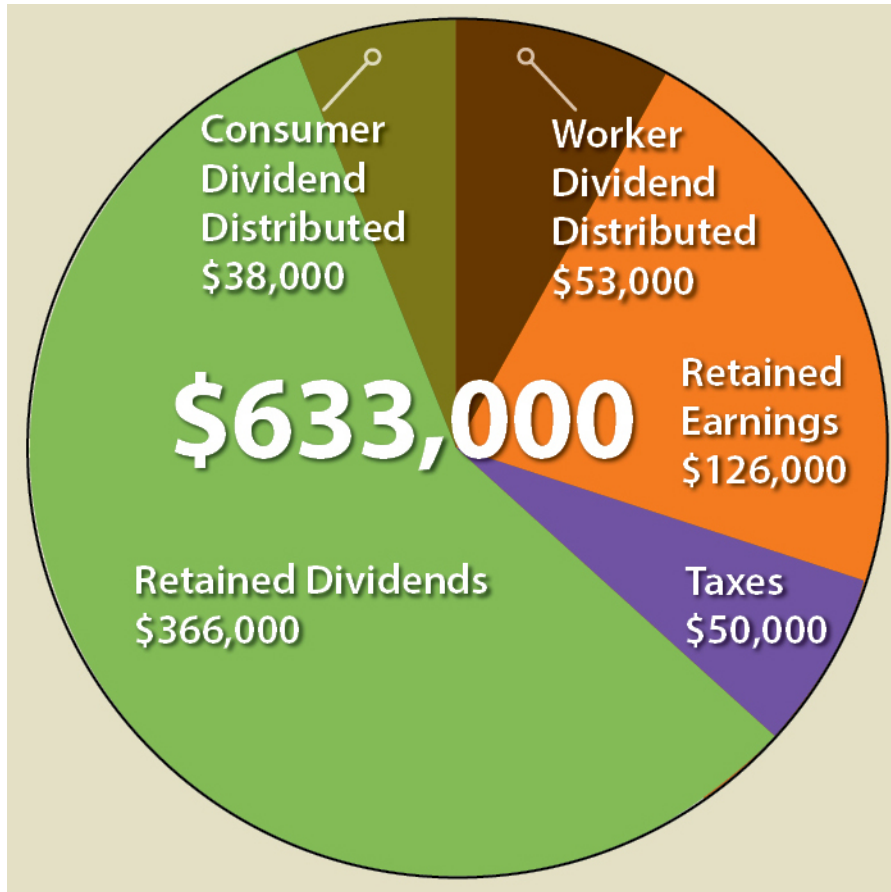
CO-OPS IN OUR COMMUNITY

Co-ops in Our Community



Food co-ops are not the only co-ops. There are healthcare co-ops, co-ops for services like electricity and Internet, and housing co-ops. Credit unions are co-op banks. Even the Associated Press is a co-op! What these businesses all have in common is serving the needs of their owners. Co-ops have existed for over a hundred years and have over 120 million members in the United States. Here are some in our community.

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 2016 to save for future needs and to build co-op equity.

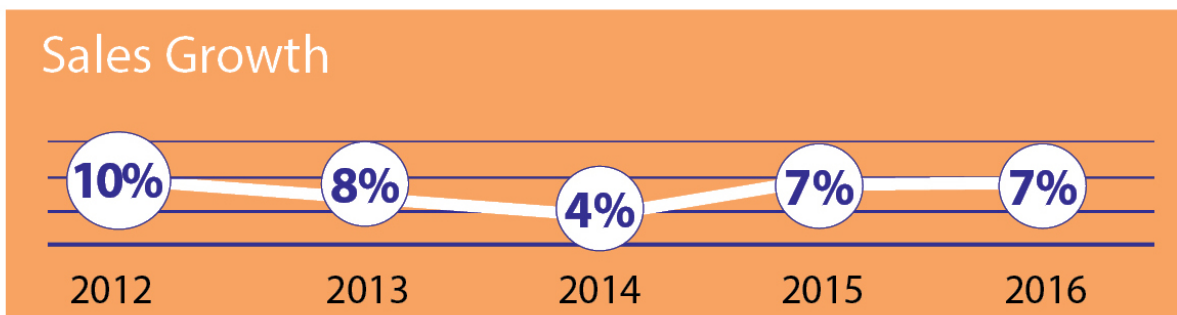
Retained Earnings is the profit generated from non-owner business. It is not eligible for the patronage dividend.

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.

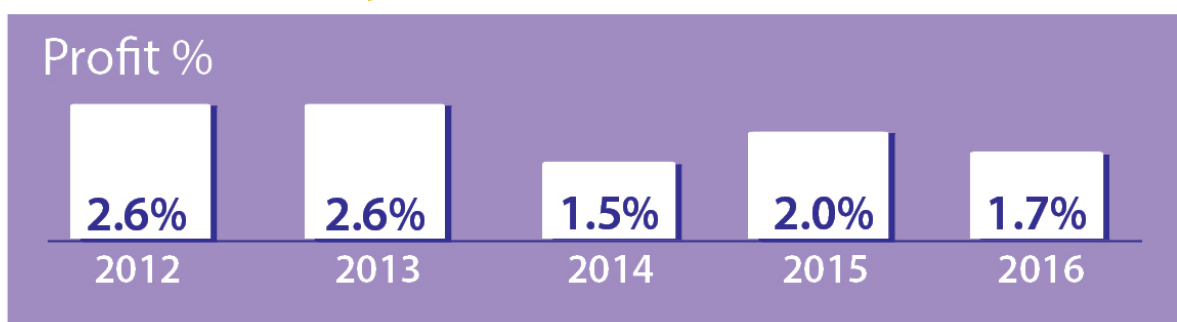
Learn more about this year's dividend below.

FINANCIAL HIGHLIGHTS

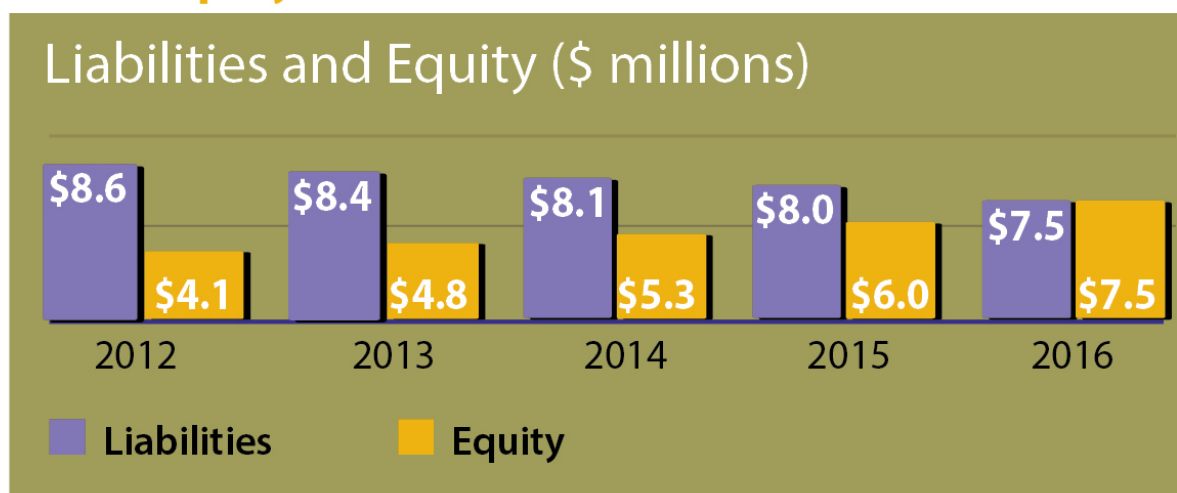
Sales growth continues:



Profits are steady:



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



FINANCIAL STATEMENTS

WSM 2016 Financial Statements

Income Statement	2016*	2015	2014
Sales	37,756,017	35,312,131	33,042,616
Cost of Goods/Occupancy	23,936,282	22,289,014	20,763,035
Gross Profit	13,819,735	13,023,117	12,279,581
Labor Expense	8,564,350	7,924,936	7,395,753
Operating Expense	3,388,192	3,035,130	2,897,606
Depreciation/Interest	1,233,845	1,363,031	1,201,367
Operating Income	633,348	700,020	784,855
<i>Operating Income as % of Sales</i>	1.7%	2.0%	2.4%

Balance Sheet	2016*	2015	2014
Assets			
Current Assets	4,679,691	4,232,533	3,487,781
Property/Plant/Equip	9,946,955	9,109,495	9,255,627
Other Assets	386,914	600,830	661,821
Total Assets	15,013,560	13,942,858	13,405,229
Liabilities & Equity			
Current Liabilities	2,853,536	2,679,377	2,308,760
Long-Term Liabilities	4,669,285	5,502,226	5,814,504
Total Liabilities	7,522,821	8,181,603	8,123,264
Equity	7,490,739	5,761,255	5,281,965
Total Liabilities & Equity	15,013,560	13,942,858	13,405,229

* 2016 numbers are preliminary and pre-audit

DIVIDEND

OWNER purchases, LOCAL impact

REDEEMING YOUR PATRONAGE DIVIDEND IS EASY:

- 1. APPLY** your dividend toward your next purchase. Your dividend appears as a store credit at the cash register. You can redeem it at any store until January 31.
- 2. DONATE** your dividend to the Cooperative Community Fund. Tell the cashier or email brenda.c@weaverstreetmarket.coop.

Please redeem your dividend by January 31, 2016. Otherwise your dividend is donated to the Cooperative Community Fund.

Co-op Owner # _____

Your purchases (July '14 - June '15)
By shopping at your local co-op, you support healthy food, vibrant downtowns, and a sustainable environment.

Your Local Purchases
Your local purchases drive the growth of a local, sustainable food system.

Your Dividend Retained by the Co-op
The WSM Board decided to retain 80% of your dividend to strengthen our financial position.

Your Dividend
A modest amount, since most of it stays invested in the co-op. Below is a coupon to show additional appreciation for your patronage.

Your retained dividend helps build a stronger co-op.
Since 2009, \$2.2 million in retained dividends have greatly improved WSM's financial position, including:

- Repaying \$4 million in loans
- Doubling our equity to \$6.0 million
- Paying for the Carriboro remodel out of cash flow with no new debt

See complete financial results at annualreport.weaverstreetmarket.coop.

WE OWN IT! OWNER APPRECIATION COUPON

Shop any day this November 19, 2015 and save up to 15% on your purchase.

SAVE 5% **SAVE 10%** **SAVE 15%**

WEAVER STREET MARKET

Email _____ **Owner #** _____

* Excludes beer and wine due to ABC rules, so beer and wine purchases do not count toward your purchase total.
** One coupon per household. Coupon must be presented to receive discount.

Patronage dividend coming in October

WSM's Board of Directors declared the co-op's fifth patronage dividend for consumer and worker owners. Though the return is modest, 7,767 consumer owners who spent at least \$578 during the past fiscal year will receive a dividend with a percentage-off shopping coupon around October 15th.

Your dividend distribution will appear as a store credit on your owner share. You can redeem it at any store. You also have the option of donating all or part of your dividend distribution to the Cooperative Community Fund.

Another 8,818 owners who made purchases during the fiscal year but did not qualify for a dividend distribution will receive an email with a percentage-off shopping coupon.

Patronage Dividend FAQs

About Patronage Dividends:

- What are patronage dividends?

Patronage dividends are used by most co-ops to distribute profit to co-op owners. Patronage dividends are in keeping with the third Cooperative Principle, which states that owners benefit in proportion to how much they use the service of the cooperative.

- What are the goals of the patronage dividend?

The Board established five goals for patronage dividends:

1. Ensure that WSM has adequate capital to meet current and future needs.
2. Keep profits in the local community.
3. Return any profits beyond the co-op's current needs to our owners.
4. Build savings for worker owners.
5. Build the Cooperative Community Fund by offering the option to donate the cash portion of your dividend.

- What are the advantages of patronage dividends?

There are three main advantages for the co-op:

1. Patronage dividends are a fiscally responsible way to manage the co-op's profits—patronage dividends are disbursed at the end of the year only after the co-op knows it made a profit.
2. Patronage dividends enable the co-op to prioritize saving for the future by funding capital improvements out of co-op profits instead of relying on outside debt.
3. Patronage dividends allow a portion of profits to be reinvested in the co-op tax-free. This is a significant tax advantage because the co-op doesn't pay tax on profit allocated to patronage dividends.

- What is patronage and how is it measured?

For consumer owners, patronage is measured by the amount of purchases made during the year. For worker owners, patronage is measured by the number of hours worked during the year. These are standard measures for consumer and worker co-ops.

- Are patronage dividends new for WSM?

Fiscal year 2016 is the sixth consecutive year that WSM is distributing a patronage dividend to both consumer owners and worker owners.

About This Year's Patronage Dividends:

- How much profit did WSM make this year?

WSM made \$633,348 profit for the year ending in June 2016, or approximately 1.7% of sales.

- How much is this year's dividend?

The Board decided to distribute 20% of profits from owner patronage back to owners, and to retain and reinvest 80%.

- Why is 80% of the dividend being retained and reinvested?

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

- How is profit split between consumer and worker owners?

Profits are split evenly between consumer and worker owner. WSM distributes a

Your retained dividend helps build a stronger co-op.

Since 2009, \$2.6 million in retained dividends have greatly improved WSM's financial position, including:

- **Repaying \$4 million in loans**
- **Doubling our equity to \$7.5 million**
- **Paying for the Carrboro remodel out of cash flow with no new debt**

See complete financial results at annualreport2016.weaverstreetmarket.coop

percentage of profits to worker owners based on how many hours a worker owner works in a year and to consumer owners based on how much a consumer owner spends in a year.

- What happens with dividends that are not redeemed?

Dividends that are not redeemed by January 31, 2017 are donated to the Cooperative Community Fund.

About the Consumer Owner Distribution:

- How and when will the dividend distribution take place?

Dividend announcements will be mailed to owners around October 15. Your dividend distribution will appear as a store credit on your owner share on October 15. You can apply your dividend toward your next purchase or you can donate all or part of the amount to the Cooperative Community Fund.

- What is the largest and smallest dividend?

The largest dividend disbursement will be \$45.69, and the smallest dividend voucher will be \$1. Owner households need to have spent a minimum of \$578 for the fiscal year to receive the minimum dividend.

- What is the return on my investment as a consumer owner?

The average dividend of \$4.90 is based on spending \$10 per week at the co-op. This represents 95% return on an average share investment of \$100.

- What happens to the retained portion of my dividend?

The retained 80% will be reinvested for the long-term financial sustainability of the co-op. This reinvested portion is your contribution to building the financial future of your co-op.

About the Worker Owner Distribution:

- What are worker owners?

Worker owners are employees of the co-op who have elected to purchase a \$500 ownership share. Like consumer owners, worker owners vote for worker owner representatives on the Board of Directors and are eligible to run for a seat on the Board. Worker owners receive their patronage dividend based on hours worked.

- How and when will the worker owner dividend distribution take place?

Checks are distributed to worker owners in late September.

- What happens to the retained portion of my worker owner dividend?

The retained 80% will be reinvested in the co-op through your internal account. Subject to vesting, this reinvested portion is available to you when you retire.

- What is vesting for worker owners?

It takes 5 years of employment for worker owners to become 100% vested. During those first five years, employees receive 20% of their dividend disbursement for every year they have worked. When the employee retires or leaves the co-op, the vested amount of their retained patronage dividend is paid to the employee.

- Will my individual dividend go down if there are more owners in the future?

Having more owners will not make the dividend to existing owners go down. As more workers become owners, their dividends will come from what is now non-patronage income.

About Income Taxes on Dividends:

- Do I have to pay income taxes on my consumer owner dividend?

As a consumer owner, you are generally not required to pay personal income taxes on your dividend. The IRS considers a consumer owner dividend a rebate on purchases, which is not taxable. If you purchased goods for other than personal use, you should consult your tax advisor about this issue.

- Do I have to pay income taxes on my worker owner dividend?

As a worker owner, you are required to pay personal income taxes on the entire dividend amount including the retained portion. The IRS considers a worker owner dividend as income which is taxable.

About the Cooperative Community Fund:

- What is the Cooperative Community Fund?

The Co-op Community Fund (CCF) makes annual grants to local groups working on issues related to sustainable agriculture, hunger, environmental protection, and cooperatives. The CCF is a vital tool in supporting hardworking local groups that help us build a strong vibrant community. See the annual report for this year's recipients, [here](#).

- What is the endowment of the CCF and what are the plans for increasing that?

The Cooperative Community Fund currently has an endowment of \$181,000. Our goal is to increase this endowment to expand the number and size of the grants that can be given. In most co-ops the main way the CCF grows is through the donations of patronage dividends. Although each donation in itself is modest, the cumulative impact is great.

BEHIND THE SCENES IN THE MERCHANDISING DEPARTMENT



Many of you out there recognize me as the gal that's been working in Weaver Street Market's produce departments for over a decade, first in our Carrboro store and then in our Hillsborough location. Maybe I cut you a slice of my favorite apple (or one of my favorites—it's so hard to choose!), the variety called

Jazz, or told you how to prepare and cook fennel, or how to peel a butternut squash. You might have seen me deep in a bin of watermelons, handing them one by one to another member of the produce team. I love produce, and I love my job. This past winter I was given the opportunity to take it to the next level as the produce, meat, and seafood merchandiser. I packed up my apron and produce knife and headed over to our admin offices in West Hillsborough to start my first ever desk job!



What is a merchandiser, you ask? Good question, as I am still learning myself. In essence, we are the head buyers for our departments. We decide what (and what not) the co-op is going to stock on its shelves, what price it will be, and what items will be on sale each week. We manage vendor relations, and research and vet new vendors to continue improving our product selection. Sound easy? It's not! It's actually surprisingly difficult and complex. Because of the co-op's high standards and broad customer base, it often feels like I'm

juggling many opposing needs. On one hand I strive to have the highest quality and the most socially and environmentally responsible products and to pay the producers the best price for those products. On the other hand I'm trying to bring our customers the best possible deals. Some days it all falls into place. Other days are met with much gnashing of teeth.

After so many years in a position where I felt fairly confident, I have suddenly been thrust into a position in which I am a little uncertain, a little wet behind the ears. It's like being a senior in high school



and then going off to college as a freshman. Everything is new and a little daunting, but there is great opportunity for personal growth. I am learning so much about the “back end” of running Weaver Street, and what it takes to produce and market all of the products that we carry. I have learned more than I thought I could know about shrimping, the seasons of the Mexican avocado, and the raising of pasture-raised beef.



The most rewarding part of my job is working with small farmers and producers, from Harkers Island, North Carolina, to Anchorage, Alaska. I feel like I am making a real impact on their lives by purchasing from them, as opposed to buying from huge distributors who could take us or leave us with no adverse effects. Just last week I spoke with a small-scale fisherman in Alaska via satellite phone. It was an exciting change from dealing with a broker in an office to speaking with the guy who actually caught the fish that we are going to sell. From April through August, I talk to Russ Vollmer from Vollmer Farm at least once a week about the berries we are purchasing from them. We talk about the challenges of managing a farm staff, how the weather is affecting the crop, and new varieties he is excited to try. When we buy from these small producers, we are making a commitment to support not only their businesses, but their livelihoods.



The thing I miss most about working in the store is my special customer interactions. There were the customers I knew, and those whom I recognized by their preferred produce purchases, and those whose children I saw grow up, and those who became friends over time. I miss having the opportunity to give face-to-face customer service. Because that's what Weaver Street is all about. We may not be as cheap as Walmart, or as flashy as Whole Foods. But we comprise a group of people who truly care about their jobs, their community, and each other.

COMING TOGETHER TO FEED THE HUNGRY IN ORANGE COUNTY



by Brenda Camp, Community Outreach, Weaver Street Market

The Bridge is a new blog with a mission “to showcase cooperative activities that build healthy & sustainable local communities; and to educate & inform the public about these efforts in an effort to raise the visibility & impact of North Carolina & South Carolina cooperatives.”

The following appeared on The Bridge: “Connecting Cooperatives in the Carolinas,” on July 1, 2016.



Shoppers entering a Weaver Street Market (WSM) store are immediately greeted by bins mounded high with colorful, vibrant fruits and vegetables. Our natural, organic, and local produce is a big draw for our shoppers—15% of our sales come from produce. For us that’s an important measure of success. Connecting our owners and shoppers with food that is healthy, tasty, and fun is one of our 2020 Goals. Two years ago, a community volunteer, Mary Carey, came to us with a very different vision of success. She and leaders from four local hunger-relief organizations reminded us that there are many, many in our community who do not have enough food for their families.

A number of reasons for the shortage were identified, all related to insufficient resources, both money and time. Debbie Horwitz from PORCH explained that the families her organization serves are working families, but most have little money for food toward the end of the month after covering basic living expenses and depleting their SNAP dollars, which do not adequately cover the cost of food, especially

healthy food choices. Kay Stegner from Orange Congregation in Missions (OCIM) noted that many clients come to the food banks when they have emergency needs, such as a loss of income or sudden medical bills. Kristin Lavergne from Interfaith Council added that even an unplanned expense, like replacing a tire, can drain away funds needed for food. Ashton Tippins observed that the food in weekend backpacks that children receive from TABLE needs to be easy to prepare because the parents often work multiple jobs and the children fix the food themselves or with the help of an older sibling.

A modest request leads to a vision of ending hunger

The leaders from the hunger-relief organizations asked if we'd allow them to collect food in our stores for the kids and families served by their programs. It was a simple, modest request. They each had a list of non-perishable foods that the families needed each month, and they hoped we'd sell them at discounted prices for our shoppers to purchase and donate. For us, it struck a chord far deeper. It reminded us that we're a co-op—community owned, community supported—but that only part of our community had access to the healthy food we sell every day.



In January 2015, WSM formed the Community Food Partnerships through which we partner with the four hunger-relief organizations—PORCH, TABLE, IFC, and OCIM—to support their efforts to provide healthy food for those in need in our communities, particularly children, low-income families, and families in crisis. Inspired, we immediately ordered big drums to hold the packaged products we were sure our shoppers would donate. Then we remembered what our shoppers and owners buy, why they come to our markets—to buy fresh produce, dairy, eggs, and meat raised by farmers who meet our standards. We returned to our new food partners with an expanded vision—we would ask our shoppers and owners to donate the healthy foods that they were buying for their own families—fruits, vegetables, local eggs, our fresh breads, and packaged foods that were natural or organic.

The drums never made it to our stores. Instead we hosted a “Bags of Produce” campaign for PORCH’s families, a “Fill Me Up Backpacks” campaign for TABLE’s kids, and a “Bags of Apples” campaign for the families served by IFC’s and OCIM’s food pantries. A significant piece of each campaign was educating



our shoppers about the issue of food insecurity in our community. Volunteers from the organizations and our front-end staff talked to shoppers about the critical need for healthy food for these families.



We had no idea how responsive our shoppers would be to our call for donations. Our shoppers donated \$84,000 in three 2-week campaigns in 2015. Many told us that it's easy to forget about those in need and that they appreciated having a way to donate fresh foods. We repeated the PORCH and TABLE campaigns this spring with some doubt that we'd meet our goal of raising 20% more. Our doubts were unfounded—our shoppers donated almost 40% more with each campaign, making our total donations surpass \$172,000. One hundred percent of the funds are used to purchase more food, so far more than 166,000 pounds of fresh healthy food.

Collaborating within different contexts

As our relationships with our community food partners grow, so does our understanding of the challenges they

face—the most critical is having a sustainable, predictable flow of food for the families and kids in need. Ironically, when the organizations are able to increase the flow of food coming in, they lack adequate warehouse space for storing and sorting the non-perishable products, and they lack the refrigeration needed for storing the fresh foods and the refrigerated trucks needed for delivering them.

We're discovering new ways to collaborate and draw upon our resources and experience as a food retailer with three stores and a warehouse. We have the sales volume to source the same high-quality food we sell at considerably lower cost than the organizations can, and we have a more efficient infrastructure for storing the food at optimal temperatures.

Soon after our first campaign, we discovered that PORCH sorted the produce for its deliveries in a garage. Despite some initial trepidation, they agreed to let us try hosting a produce sort at our Food House, where we could have the produce delivered directly from our vendors. We organized WSM volunteers to



sort and pack the produce, which we then kept in a cooler until we delivered the boxes on pallets directly to their pickup site the next day. The process was so efficient that PORCH asked us to continue the produce sorts at our Food House.

When it comes to filling backpacks with healthy food, TABLE faces considerable restraints. The items must be kid-friendly and non-perishable, and weigh in aggregate less than 7.5 pounds. We've had hits and misses as we've helped TABLE add more healthy foods to the kids' weekend backpack meals. The kids gave a thumbs-up to the containers of local blueberries and loaves of fresh-baked oat bread that we included in the backpacks last summer. But a couple of the items—the sunflower seed butter and bags of bulk granola—were a bit too “weird” for the kids.

Growing the impact of the partnership

After the first round of campaigns, we met again with the four organizations and asked about the impact of the campaigns and what the impact would be if we could do a little more each year, perhaps as much as 20%. For TABLE, it would mean adding 50 kids to its backpack meals. We knew the need was far greater—adding 50 kids each year would take decades to reach all 6,000 kids needing weekend meals. We also asked the groups to take a step back and tell us what they would really like to achieve in five years. It's no coincidence that we heard the same response four times. Each organization is at or quickly approaching a ceiling on what it can do. To reach their five-year goals requires significant additional resources:

- They all need walk-in refrigerators. The healthy foods they want to provide their clients—produce, eggs, dairy, meat—all require refrigeration, and often, immediate refrigeration is required for donated produce that is on the edge of its usefulness.
- They need delivery vehicles—PORCH for a few days once a month, TABLE for picking up food and delivering backpacks multiple days every week.
- The groups need warehouse space for storing non-perishables, more workspace for sorting and bagging, and office space where they can do administrative work.
- All four are either looking for a new facility or (with PORCH) a first facility.

A pivotal point occurred late last year, when we learned that IFC faced a significant zoning hurdle in moving its community kitchen to a building it owned and intended to renovate. We asked IFC's new executive director, Michael Reinke, what he thought could be achieved if we brought all the organizations, the community, and their resources together. He told us exactly what we had come to believe: “We could end hunger in Orange County.” It turns out that many in our community share the vision and the commitment to end hunger in Orange County. We'll have a blog post later this summer about a coalition that has formed to achieve this community goal.

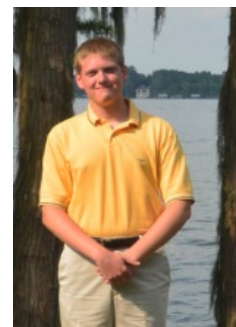
CO-OP CAMP CREATES A COMMUNITY FOR TEENS TO EXPLORE COOPERATIVES



This summer more than 40 teenagers from across North Carolina attended the annual Co-op Leadership Camp held at the NC FFA Center at White Lake, North Carolina. The week-long overnight camp is a program of the Cooperative Council of North Carolina. The event immerses high school students in the cooperative world. The teens use the cooperative business model and Seven Cooperative Principles to organize a mock t-shirt co-op. The teens attending the camp each have a co-op sponsor.

Weaver Street Market sponsored Kyle Burns, a high school student from Fuquay Varina. Kyle's peers selected him to receive one of the CLC Leadership Awards. He was honored at the closing banquet awards evening. After attending the camp, Kyle observed, "The things that I learned in those four days are more important than anything I have learned in the past 17 years."

He also told us he likes to write, so we asked him to write about his experiences at the camp. Here's the story of his remarkable journey of personal growth and community building as he engaged the world of cooperatives:



What Co-op Leadership Camp Means to Me

A few weeks prior to me writing this article, I received a set of papers from my parents, which they had obtained from our next-door neighbors. The papers in question introduced me for the first time to the Cooperative Leadership Camp, which is hosted every year at the NC FFA Center at White Lake, NC. Now to be completely honest, I thought nothing of it at the time; it was only the second time I had ever heard of a cooperative, outside of my business classes in high school.

Like many people I know, I like to stick to routine and very rarely take on new experiences. I am not really the type of person that likes to camp or socialize outside of my comfort zone—I would much rather spend my time on the beach than at a camp somewhere. To put it simply, I don't like to come out of my shell a whole lot. But if I hadn't, I would have missed an opportunity like no other, an opportunity to become a part of something bigger.



In a little over four days, I reconnected with myself, made relationships with people that I'd never have made before this camp, and became a better person. I can say all of this and it will mean nothing—unless you have the chance to be in my shoes, you will not understand the emotion I am feeling when I write this.

I have grown up in a metropolitan area for most of my life and have bought into the whole 'status quo' thing. One of the biggest problems with my generation is that they are misguided. Most people like me are concerned with useless notions like complexion, popularity, the social hierarchy, and money and affluence. Yet when I was at camp, none of this mattered, and it gave me the chance to realize how pointless all of this stuff is. I found myself in my element. I met people that are usually out of my preference, built long-lasting relationships that were stronger than most I have known, and experienced a warm, unbiased community among a group of people that could stand up to the test of time.

Before now, I was concerned about how much money I could make, how much influence I could obtain, and how much I could build myself up. I am an opportunist—I take something that has practically no worth and turn it into a gold mine. I wanted to start my own company and make a sizable profit, but after going to camp, I came to realize none of that matters, that what is worth more is the impact that I have on my community and the people in my life.



I learned the value of what it means to be human. I learned that true wealth is measured in the character of an individual, not the amount in his bank account, and that no matter how different a group of people are, they can find it in themselves to come together and take on the world.

The ideas, the people, and the connections that I obtained at camp can't be taught in schools, bought, or even acquired. They have to come within you. The things that I learned in those four days are more important than anything I have learned in the past 17 years. I went in with the misguided notion that it would not be worth my time since I had no interest in being a farmer and ended having my life changed for the better.



I experienced a community with the counselors and my peers that is indescribable. I knew that I could say or do anything and they would support and cherish me all the way, that no matter what our differences were we had a mutual respect for each other. I had only known this group of individuals for a matter of days, but it felt like I had known them for years. There was a sense of a sort of family unity, I 'loved' these people. But not like a husband loves a wife, but like a brother loves his sister or

a father loves his son.

At the end of the day though, it doesn't matter what you did, but how you did it and who you did it with. I saw a side of myself that I have never seen before, and I would recommend you join me because you will get more out of life than you have ever gotten before.



CO-OP PARTNERS: FEATURING CABOT CREAMERY

Over the past two years, we've increased the products we buy directly from other co-ops. Not only does this support co-op producers who share our values, but buying direct eliminates middlemen, enabling us to pay a fair price and still offer the products to customers affordably. The Riojana wines, from La Riojana Co-op in Argentina, have sold [many] bottles since we introduced them in 2015. Over the past winter, we sold [many] fair trade avocados from a farmer co-op in Mexico, imported by Equal Exchange. There are many great stories we could share, but this year, we've got dairy on our minds.

A "Dairy" Good Co-op

You may have noticed more and more products from Cabot Creamery in our stores: it started with some basic cheddar, followed by wax-coated blocks of aged cheddar just in time for the holidays. Then followed cottage cheese, Greek yogurt, sour cream, butter, canned whipping cream, and cream cheese. Most recently, we've begun using Cabot products “behind the scenes” in our stores and at our Food House: the cottage



cheese on our salad bars, the butter in our kitchens and pastry bakery, the shredded cheese in our prepared foods, and the sliced cheese on our sandwiches. We swapped Cabot cheeses into our sliced deli cheese offerings and were able to drop the price. The wide use of Cabot products throughout our stores makes ordering easier, because we can place large orders more regularly.

And Cabot dairy is not just any old dairy. In the 1980s, Cabot began entering cheese competitions, and in 1989 they won first place in the cheddar category at the US Championship Cheese Contest. Since then, they've continued to enter national and international competitions. Their cheddar has won every major taste award, including the world's best cheddar. Recent [2016] awards include best of class at the World Championship Cheese Contest for their plain Greek yogurt and their sharp cheddar.

Family Farms

Cabot Creamery is a cooperative owned by 1200 family dairy farmers in New England and New York. It began in 1919, when a group of dairy farmers near Cabot, Vermont, joined forces to turn their extra milk into butter and to sell it throughout New England. Today, the co-op manages four plants that turn the farmers' fresh milk into butter, cheese, and the other dairy products. (Cabot offsets all its butter churning with renewable energy produced at Barstow's Longview Farm; grocery store food waste is converted to energy in an anaerobic digester!) All profits are paid back to the farmer-owners, who elect the co-op Board of Directors.

The co-op supports participation in the National Dairy FARM Program (Farmers Assuring Responsible Management), which provides guidelines for animal welfare and periodic farm inspections, including some by third party certifiers. Cabot farm families have been awarded the New England Green Pastures

Award 83 times. The award acknowledges environmental practices, contributions to agriculture and the local community, and overall excellence in farm management practices.

Co-op and Community

Cabot Creamery is “all about community and cooperatives.” Every other year, they send a team down the East Coast on the Cabot Community Tour. Some Cabot reps will be sampling their wares at our Co-op Fair on September 11. (You can also catch them at the Durham Co-op Market.)

Cabot encourages farmers and customers to volunteer by offering monthly prizes and annual grand prizes, including a cruise hosted by its farmers. They run the Reward Volunteers website (<http://www.rewardvolunteers.coop/>), where individuals can log their volunteer hours and share them on social media, to encourage friends to volunteer and to make volunteering even more fun. More time spent volunteering and more shares increase the chances of the person or organization winning cash or prizes. There's also a listing of organizations seeking volunteers.



Cabot partners with co-op groups to spread the word about co-ops, particularly among young people. Cabot co-sponsored the “Co-ops for Community” Girl Scout Patch booklet, which includes activities that teach about how co-ops contribute to communities and about how to be a leader and form your own co-op. Cabot also launched the Cooperative Fund of New England’s Cooperative Capital Fund, which funds co-op development. And, Cabot helped create www.go.coop, a repository of resources on co-ops.

IT'S ELECTION TIME AT THE CO-OP!



Vote in the Board election

Voting has ended.

Meet the candidates

WSM Co-op Fair and Annual Meeting

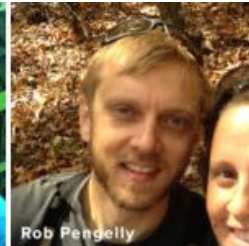
Sunday, September 11, 2016, 2–5 PM, WSM Food House, Hillsborough

Meet-the-Candidates Wine and Cheese Tastings

Tuesday, August 30, 2016, 6–7:30 PM, Hillsborough store patio

Wednesday, August 31, 2016, 6–7:30 PM, Carrboro store patio

Candidate statements



HANK BECKER

“Let’s make our Co-op a True Co-operative. I’ve proposed a Consumer Engagement Initiative that provides opportunities for serving the Market, influencing its practices, contributing to the Market Blog, and monthly discussions at a Meetup group.”

Video: <https://youtu.be/jXVZ9V6HIQ8>

Describe your occupation and community involvement. In 2007, I retired from a career in education research and teaching in higher ed, most recently at the University of California, Irvine. Since moving to Chapel Hill in 2008, my main community activities have been:

- 2008-present: Shared Learning Association of Chapel Hill: designing and leading courses for our retiree membership on food policy, environment and energy, political behavior, and social and political controversies; board member since 2009 and vice president, 2009-12.
- 2013-present: volunteer with the Friends of the Chapel Hill Public Library, serving as board member and helping to direct the sorting and pricing of donated books and our triennial book sales.
- 2014-present: volunteer with WSM food distribution for Table and PORCH; and member of the Weaver Street Market elections committee (2014-2015)

Why do you want to serve on the Board of

Directors? Weaver Street Market would benefit if more consumers had the opportunity to participate in the market community besides shopping for their own family and socializing on the Carrboro lawn. I want to energize the Board and management to create a more vibrant and active community of consumer-members (-owners). Recently, I proposed to them a Consumer Engagement Initiative with three elements:

(1) A consumer-owner led MeetUp discussion group around “Healthy Eating at Weaver Street Market.” The group would focus on two main topics: (a) healthy eating practices and governmental policies and (b) consumer suggestions regarding Market operations and policies. Meetings might include book discussions, invited speakers, or short courses offered by local experts.

(2) A set of consumer-owner committees supporting the Market and managed by Market staff. These might include, for example,



- A Consumer Welcoming and Information Committee whose overall goal would be to provide information about the Market to consumer-owners and potential owners. Committee members would be trained to provide tours of Market operations (an activity already being planned); and they would staff “tables” for publicizing special sales, donation drives, and membership drives.
- A Healthy Eating and Culinary Assessment Committee would focus on expanding healthy eating throughout the area, including low-income communities. Members would be involved in taste-testing potential products, helping Market staff with outreach, and recruitment for community groups such as PORCH and Table, and participating in other efforts to expand healthy eating to low-income communities.
- A set of Store Advisory Committees, one for each retail location, would provide suggestions and feedback to store managers, primarily about stocking, store layout, and similar issues.
- A Recycling and Zero-Waste Committee would discuss and suggest ideas in pursuit of the Market’s 2020 organizational goal and for influencing consumers in their private behavior.
- A Music and Events Committee would provide volunteers for various Market events and for loosely affiliated groups (such as the Farm Tour). This committee would also assist Market staff in both the selection of musical entertainers for summer weekly events and help with arrangements for those events.

(3) The final component to this proposal is a major revision of the Weaver Street Market Blog in order to expand the ways that consumers can provide input to the Market and communicate with each other as well. Such changes, for example, would enable consumers to see each other’s suggestions and questions, comment upon them, and enable all to see administrative, staff, and worker responses. This component would also incorporate opening up the website to provide a medium of communication among consumers related to the committees and the MeetUp organization introduced above.

A co-op is more than just a store with the name “co-op” in it. It should be a cooperative effort of a community, and Weaver Street Market is the right place to make that happen. Such an effort will cost money, but the payoff for the market will be more committed members and greater sales volume that will pay for that effort in spades.

What experience do you have with the Weaver Street Market, cooperatives, or small community-minded businesses? When I was much younger, my wife and I participated with about a dozen other young families in a fresh food-buying cooperative. We took turns going to the wholesale market and making purchases that we had agreed upon and that were within our budget, and then distributed our purchases to all the families in the coop. That led me to understand that stakeholder consumers acting collectively can make important contributions to decisions along with full-time managers—with the added benefit of greatly improving their understanding of the systems within which they live.

When we moved to Chapel Hill I was at first excited by the presence of Weaver St., but it took me several years to realize that the somewhat higher prices I am paying is supporting a community of like-minded people who have many food-related values that go above and beyond economy. For more than a year, I have participated in the monthly sorting of food for PORCH at the Weaver Street Food House

and almost every week I distribute food to families through Table, using funds contributed by Weaver Street shoppers. And for two years I served on the Elections Committee for the Co-op.

What experience, skills or perspective will you bring to the Board? I am a sociologist by training and consider myself a fairly rigorous thinker. At the same time, I strongly value the soft virtues of empathy, community, and integrity. Although not trained in finance, I do have a head for numbers (math major), and my research experience has taught me much about how best to measure whether well-intended policies are achieving their intended results.

I am aware of the distinction between policy and operations and the differing responsibilities of the Board of Directors and management. Although I may push the boundaries between them from time to time, I will respect them as well. This is easy to do at WSM because we have such an outstanding and knowledgeable management staff and a similarly well-qualified and congenial Board.

Include anything else about yourself that you may like others to know. I am quite open to discussing the directions for WSM I have outlined here and other ideas and policies that you yourself may have. I encourage members to contact me.

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LISA BEST

"Helping people heal with nutrition is my passion. I am committed to facilitating healthy food availability, and my leadership role at WSM gives me the unique opportunity to support our community through a socially responsible co-op."

Video: <https://youtu.be/mFQ9FE6bWAw>

Describe your occupation and community involvement. I am currently a self-employed certified nutritionist and health coach at Healing With Nutrition (HealingwithHolisticNutrition.com). I spend most of my time either coaching clients to greater health through dietary protocols, or publishing nutrition related information on my iPhone app "Health Tip of the Day" and my ezine "Health Tips Weekly." My approach to preventative wellness is contingent upon consuming healthy, organic foods – a natural fit with Weaver Street Market's products and goals.

My previous occupations include 23 years of self-employment with my investment real estate company (Best Properties) where I bought, sold, upgraded, renovated and managed single-family homes, duplexes, and some commercial property for both long-term rentals and resale. I still own and operate this business, although I have considerably downsized it to focus on Healing With Nutrition.

Prior to operating my real estate business I was a Financial Analyst with Metropolitan and Baron Financial (10 years) with primary responsibilities of marketing, producing and presenting comprehensive financial plans for physicians including budget analysis and investment strategies. At that time I also marketed various investment and insurance products, including mutual funds, insurance, stocks, options, annuities, real estate limited partnerships, and business insurance.

I have also developed investment strategies for the Currency Exchange Market (Forex).

I am an active member of Pleasant Green United Methodist Church and I play guitar and sing in the Praise Band. I am also a tutor at Orange High School specializing in SAT preparation. I homeschooled my 2 oldest children for 6 years both of whom are now Duke University graduates, and coached my daughter in the National Spelling Bee.

In the past, I have designed and facilitated educational school group tours of our small farm exhibiting over 200 exotic animals ranging from Alpacas to Wallabies. We have also provided homes to distressed and unwanted animals of all kinds for 30 years. I developed a holistic dietary anti-cancer protocol for my dog, which has kept her alive for 8 years past her official 6-month cancer diagnosis. I am active politically and have volunteered in



multiple political campaigns over the years.

Why do you want to serve on the Board of Directors? I would like to return to the Weaver Street Board of Directors because natural and organic foods are the primary tools I use to promote preventative wellness, and the more I can understand and take an active role in the success of the businesses that provide these goods from suppliers to consumers, the better I will be able to help people acquire the products they need to improve their health.

I am excited about the focus and direction Weaver Street is taking, and I want to continue to play an active role in the implementation of Weaver Street's long-term developmental plans. While a bit of my educational and employment training have followed strong capitalistic models, (where stockholders receive the monetary benefits of corporate success), I find the co-op model of mutual collaboration for the good of all extremely appealing. The co-op business model makes sense to me, because there is no conflict of interest between consumers and stockholders in delivering the best products possible.

I love that the co-op model by definition reflects the values of its owners, especially regarding the issues of environmental awareness (i.e. focus on decreasing waste and using alternative energy sources), sourcing foods locally (to reduce transport cost and increase freshness) and adding vibrancy to downtown areas. There are so few opportunities in this world to have your opinion heard and to have an active voice in governing, that I relish the opportunity to have an affect on the institution that provides my family's (and my community's) food.

What experience do you have with Weaver Street Market, cooperatives, or small community-minded businesses? I was a consumer owner representative on the Weaver Street Board of Directors from 2011 to 2015. During that time, my understanding of the complexities involved in running a co-operative business has increased exponentially, as has my respect for the dedicated and hard-working people at Weaver Street who serve our community on a daily basis by ensuring the availability of healthy foods.

What experience, skills, or perspective will you bring to the Board? I bring a unique combination of business experience and holistic nutrition practice to the table. I feel my business experience is a strong asset, since it's important to understand the rules of the game you are playing in a competitive commercial environment. My holistic nutrition training reminds me to be compassionate towards all creatures and the environment, and to move gently in the world considering the needs of all.

I was Treasurer of the WSM Board from 2012-2015. I feel it is my personal responsibility to make sure that every dollar controlled by the board is spent wisely, as are operational expenses for the co-op as a whole. The major complaint from most people regarding organic and natural foods is the cost, and frankly the main reason I was motivated to join the Board of Directors originally was to understand why organic foods cost so much.

As a result of my board experience, I now see that food costs are much more complicated than I previously thought. Providing quality goods, fair labor practices, and environmentally sensitive products does indeed cost more.

My personal challenge while participating within the co-op is to do everything I can, using the business and nutritional experience I have, to ensure the highest quality foods are available at the lowest possible prices with the smallest carbon footprint.

Include anything else about yourself that you may like others to know. I am beyond enthusiastic about the WSM goal of ending hunger in Orange County, and I want to play an active role in supporting our programs to help as many local citizens as possible with the power of the co-op.

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HOLLY HOUGH

"I enthusiastically support WSM's mission and want to serve on the board to contribute my passion, skills and experience, helping to create an even stronger presence in the community and assisting the business as it grows."

Video: <https://youtu.be/Qy32J3olRjw>

Describe your occupation and community involvement. The majority of my professional career has been spent as an administrator in health care, primarily in the areas of integrative medicine, oncology, and both clinical and social research. Currently, I am part of a research team at the Duke Divinity School whose focus is to improve the health of United Methodist clergy across North Carolina. I also have experience building programs from the ground up and previously created and launched a clinical integrative medicine program at UNC-Chapel Hill. I write a health and wellness column for the Chapel Hill News and am in the process of completing my first book on healing with integrative medicine. I adore animals and currently volunteer with Independent Animal Rescue, but have previous volunteer experience with Book Harvest, Hospice, and the Food Bank.

Why do you want to serve on the Board of

Directors? I firmly support Weaver Street Market's mission and hope to serve on the Board of Directors as a means of giving back and assisting the business as it matures. I grew up in the mountains of North Carolina, but have considered the Chapel Hill area my home for 12 years and Weaver Street Market was part of my decision to remain in the area. I have a passion for health and wellness and hold a doctoral degree in Exercise Physiology (with a minor in Nutrition). When I discovered Carrboro and Weaver Street Market in 2004, I remember being pleasantly surprised that such a place existed and was not only a grocery co-op but a place where I



could find herbs, supplements, and a nice choice of organic foods. I believe that food is medicine and care about where my food comes from and how it affects my health and the health of others. Weaver Street Market is also a social hub and meeting place for me and my writer friends – we gather to chat and write together on the lawn in Carrboro. I have multiple food allergies and, at times, Weaver Street Market has been the only place I can find food that works for me. The market has also been an occasional source of supplements for my pets when they have needed help healing from various conditions.

What experience do you have with Weaver Street Market, cooperatives, or small community-minded businesses? I have been a member of Weaver Street Market for almost 11 years. During several spring seasons, I volunteered with Genesis Farm during the Piedmont Farm Tour and assisted with showing the

miniature horse and donkey to both children and adults. The majority of my involvement with small community- minded businesses has occurred as a result of volunteering. While living in Greensboro and California, I gained a great deal of experience volunteering with Hospice. Since moving back to North Carolina, I have volunteered primarily with animal rescue groups, assisting with both pet and wildlife rescue. Whenever possible, I like to support local businesses and look for ways to get involved in my community.

What experience, skills, or perspective will you bring to the Board? My previous board experience combined with my background in healthcare and nutrition make me a strong candidate for the Weaver Street Market Board. I served as a board member for the Cancer Patient Education Network (CPEN), a national nonprofit of healthcare professionals and, as chair of the CPEN Marketing Committee, was instrumental in developing the communications and marketing plan. I also chaired the CPEN Complementary and Alternative Medicine Committee and assisted with creating patient resources on integrative medicine. I served as an advisory board member for the oncology hospital resource center at the University of California, San Francisco. My experience in program development and organizational relationship building has allowed me to garner skills such as visioning and creating both business and strategic plans, all of which would help me make a significant and valuable contribution to the board.

Include anything else about yourself that you may like others to know. When not at Duke, I enjoy hiking with my dog, hanging with my cats, reading a good book, watching movies, and admittedly binge-watching new seasons of House of Cards on Netflix.

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ROB PENGELLY

"I want people to engage with one another toward the aspiration of Weaver Street Market strengthening as a community hub. Customers, workers, and vendors all benefit from the experiences that a healthy co-op provides."

Video: <https://youtu.be/bEjvBa4cQ8c>

Describe your occupation and community involvement. I am currently the Store Manager of REI Durham. I have worked there since October, 2003 where I started as a part-time sales specialist. I have held several positions over the years at both the Durham and Cary locations. I have been in my current role for almost three years.

I am passionate about like-minded people within a community being able to engage with one another and ultimately have a more fulfilling experience in whatever setting they aspire to do so. The outdoors, active recreation, stewardship and agriculture are areas where I personally connect with this passion. After moving to North Carolina in December of 2000 I have involved myself at the community level in various ways. I have worked for a local non-profit to promote environmental education, canvassed door-to-door for stewardship issues I believe in, volunteered at the Carrboro Weaver Street Market store, personally participated in environmental service projects, been a part of Paperhand Puppet Intervention, volunteered time as a youth soccer coach, helped at our local farmers market, and supported my wife's farming business to become a reality.

Why do you want to serve on the Board of Directors? I want to serve on the Board of Directors because I want to deepen my connection to the community that I live in and love. Having not served on a Board before this will be a new and challenging experience for me. One that I am ready and excited for!

I want to gain the experience of working with a small group of dedicated individuals to drive a successful, local co-op business forward. I believe in strengthening relationships with existing customers and enticing new ones. I sense opportunity to expand connections with local, regional, organic and natural producers. North Carolina, and specifically Orange County, is my home and I want an experience where I can use my knowledge and skills to make a difference.



What experience do you have with Weaver Street Market, cooperatives, or small community-minded businesses? One of the first things I did when I moved to North Carolina from Vermont was to join Weaver Street Market. I had self-studied sustainable agriculture practices and co-op business models while at university and was thrilled to find out that Weaver Street Market existed. I have shopped with

Weaver Street, almost exclusively, since I joined in 2001 and have spent time in all three locations. I am also very familiar with the cooperative business model having worked for REI for almost thirteen years. I see on a regular basis how the experience you provide members and guests drives a symbiotic relationship at a personal and community level.

I have also spent a significant amount of time working with my wife's local farm, Fieldstone Garden, over the past two years. Her passion is to grow and provide our local community with a source of naturally grown fruits, vegetables and flowers. She has also set about connecting other small, local businesses to her customers. My involvement with her knowledge and expertise continues to be a great source of excitement for me.

What experience, skills, or perspective will you bring to the Board? I see the greatest experience, perspective, and skills that I will bring to the Board being those of a committed customer, community member and retailer, respectively.

I have worked in retail almost continually for the past twenty years and have a solid perspective on the vision, dedication and flexibility needed to provide a great customer experience. The notion of putting "small considerations into a perspective guided by a larger view" is one familiar to me as a retail manager. I work as part of a team collaborating to drive business forward, while maintaining a set of core values, for the benefit of both members and employees.

Similarly, I have been a Weaver Street Market customer for the past fifteen years and now, as a husband to a local farmer and father of two young kids, believe I have a solid understanding of what it means to be a dedicated consumer-owner. Through observation and personal experience I see how owners use the co-op, how we are communicated to and have ideas regarding turning owner needs into organizational goals.

Include anything else about yourself that you may like others to know. I love to be outdoors! I love to run, backpack and hike. I also like riding bikes and kayaking. Ultimately, if it involves being outside I'll probably try it once, if I haven't already.

This year I have rekindled my passion for having my hands in the dirt. I worked for a season at an organic farm in Vermont in 1999. While I've helped my wife with projects before, this year I am spending as much as time as I can out in the fields. I am also building connections with friends and neighbors respectively involved in small-scale beekeeping and pasture raised pork.

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KATHY STEWART

"I appreciate that WSM both operates successfully, supports local farmers and pushes services to the community at large. I hope to contribute to the board and ideally grow as an individual."

Video: <https://youtu.be/oCCD0oWArok>

Describe your occupation and your community involvement. I'm a Sales and Marketing Specialist with NovelList, a subscription database company for public and school libraries that helps readers find their next great book. My husband and I moved to Hillsborough in 2007 from South Carolina, where I worked as a children's librarian for a large public library. Over the years, I've volunteered for community groups briefly and sporadically — groups like Hands on Atlanta, area food banks, and most recently, the Animal Protection Society of Durham but have never felt as if I'm giving back in the way I'd like.

Why do you want to serve on the board of directors?

Weaver Street Market (Hillsborough) opened shortly after my husband and I moved here. I often tell people that WSM is my hobby, since I'm a frequent shopper. Having grown up in a military family, I like the feeling of community it brings to me as a consumer owner. I appreciate the power of a business that can both operate successfully as a business and also support local farmers and push services to the community at large. Ideally, I believe I can contribute to the board and also grow as an individual in the process.



What experience do you have with Weaver Street Market, cooperatives, or small community-minded businesses? I'm one of many WSM consumer-owners and am an enthusiastic and frequent shopper at (primarily) the Hillsborough location. I enjoy and appreciate the quality of food, great customer service, the local products and also the experiences I have there — sitting outside and taking in the variety of people, dogs, plants; meeting with other knitters, grabbing chocolate milk after a walk on the Riverwalk and chomping on countless to-go gingersnaps. I don't have actual personal experience with cooperatives or small community-minded businesses but believe that they put the 'c' in community and provide both the value-add and the flavor that make places such as Hillsborough special.

What experiences, skills, or perspective will you bring to the board? My prior work experience as a paralegal then librarian have made me a strong proponent of collaboration, which I believe to be a key to a (better) big picture. I also know the value of story, both in terms of sharing with others and also with regard to communicating a business's vision and value externally. Coming up with great ideas is one part of the process but scaling ideas to ensure that they are prioritized and doable (and tracking

how things go) is an essential part of the equation, too. My current work has made me appreciate the importance of active listening, hearing customers' needs and matching resources to meet them.

Include anything else about yourself you may like others to know about you. I'd like others to know that I tackle projects I undertake with gusto; that talking and sharing information, food, books and ideas with others brings me joy. I'm an aspiring knitter; I find yardwork meditative and my dogs vexing and inspirational in equal measure.

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