

Weaver
street
MARKET

2018 Annual Report

you're invited!

SUNDAY,
SEPTEMBER 9
2 - 5 PM

WSM FOOD HOUSE
HILLSBOROUGH

CO-OP
— FAIR —

10% OFF
COUPON!

WHEN YOU
COMPLETE THE
OWNER SURVEY
IN THE ANNUAL
REPORT

click here to register



We Sustain Healthy Communities Together



FROM THE BOARD

This annual report showcases some of the co-op's many accomplishments as well as challenges and our exciting plans for the future. We'd love to learn what you think. Please contact us at board@weaverstreetmarket.coop

Weaver Street Market Board

From left: Charles Traitor, Ruffin Slater, Dave Bright, Jon McDonald, Linda Stier, Hank Becker, Alice Ammerman.



What the Board Does

The Board plays a vital role in governing Weaver Street Market by:

- **Envisioning** a positive future and translating it into an ambitious "Ends statement" for the co-op.
- **Ensuring** that the co-op operates ethically and prudently by setting written "Limits" within which all co-op activities must take place.
- **Establishing** policies and systems for the Board to function efficiently.

The Board ensures successful organizational performance by:

- **Defining** results instead of dictating means.
- **Monitoring** operational performance in the areas of Ends and Limits.
- **Holding itself accountable** to follow its own Board process policies.

The Board links with owners by:

- **Listening** through surveys, usage data, and in-person communications to understand the com-

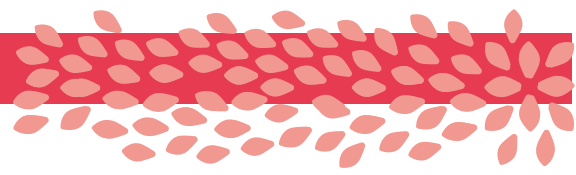
mon interests of owners, how those interests change over time, and how well the co-op meets those interests.

- **Communicating** the co-op's accomplishments and challenges so that owners appreciate what the co-op does and understand the constraints and tradeoffs that it faces.
- **Sharing** a "mental model" of the co-op that shows how owner participation drives societal change.
- **Cultivating** a group of owners who understand co-op governance and are poised to be future leaders.

LET US KNOW WHAT YOU THINK!

Complete
the Owner Survey
for a **10%- OFF**
coupon here.





Trusted Quality

Weaver Street Market carefully curates our selection of products to ensure everything we sell is fresh, healthy, and sustainable. Our goal is for you to pick out any single item and trust that it will be good for you, your family, and the environment.

- **Ambrosia bar.** In August we added a new delicious, healthy breakfast and dessert option that features fresh fruit, dairy and coconut creams and yogurt, nuts and dried fruit, and gourmet salts and honeys.
- **Whole-grain bakery products.** We have two great local flours that we are using in more and more bakery products: Carolina Ground whole wheat flour from grain grown in Wake Forest and milled in Asheville, and Super-Sprout™ sprouted wheat flour from Lindley Mills in Graham. This grain is sprouted, giving it the health characteristics of a vegetable, before it is ground into flour.
- We've updated our beverage selection with more healthy choices, including flavored waters, juice and water combos, kefir sodas, and kombucha. We've re-worked the shelves to place healthier options at eye level. As a result, sales from "better for you" options are dramatically outpacing sales from sugary drinks, resulting in better health outcomes for our customers.

Locally Sourced

Weaver Street Market partners with independent producers in our own backyard and those around the world who share our values. We form lasting relationships to bring the best products from their communities to share with ours.

- **Fair Trade bananas and avocados.** Staff member Carolyn Twesten blogged about her trip to our banana producing co-op in Ecuador. We sold over 200,000 pounds of organic co-op produced bananas last year, along with 155,989 co-op produced organic avocados.
- **New Product Lines.** Our Food House is developing several new product lines, including a redesigned hot bar and Ambrosia bar. Come join us at the Co-op Fair and be the first to sample new salad bar offerings and fun sushi bowls.
- **Local and co-op sales.** This year 48% of our sales were for locally produced or co-op produced products, which is an increase of 1% over last year.



For the Community

Weaver Street Market is more than simply the place where we buy our food. Each Weaver Street Market store strengthens the bonds within our communities. In the past year, our consumer and worker owners helped us broaden our community connections and come a step closer to ensuring that we all have enough good food to eat.



- **Food House field trips.** Our Food House staff hosted field trips for all the students at Central Elementary School. Students participated in hands-on activities that reinforced the science, math, and solution-driven engineering that underlies the school's curriculum. Favorite activities were experimenting with reduced-sugar cookies and shaping whole wheat pretzels.

- **Owners Round Up!** Owners rounded up their transactions 682,120 times for \$310,405. The average Round Up is 45 cents. That's our community making a huge impact literally with their change. We added a new community food partner this year—Orange County Schools (OCS). We delivered boxes of healthy food for 360 food insecure kids at five schools for winter, spring, and end-of-school breaks.

- **New Raleigh store.** We're opening our fourth store in January 2019. The 12,600-square-foot store will be located at The Dillon, a mixed-use development in Raleigh's burgeoning Warehouse District. This is our first location outside Orange County. Weaver Street already has a strong following in Raleigh, and we're excited to become part of the city's vibrant warehouse district.

By the Community

Weaver Street Market is a co-op, owned by its members and employees. When we're successful, everyone in the Weaver Street community benefits. In the past year we took steps to make ownership more accessible and beneficial.

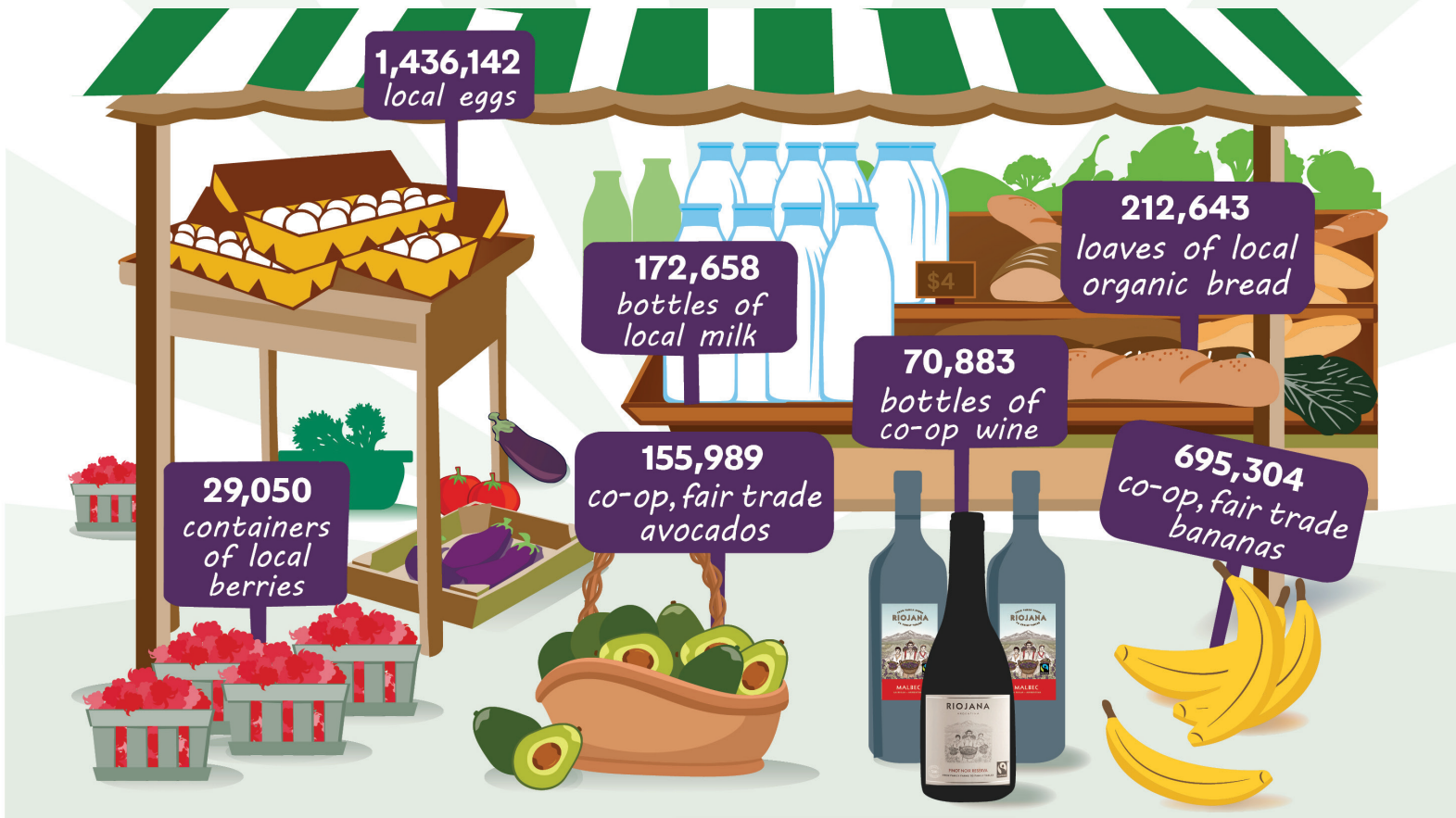
- **We implemented a new share system** that makes co-op ownership more accessible to everyone in the community by reducing the share amount to \$75 for all households. This fall we will implement a no-cost share for qualified low-income households. The new share system includes an owner portal, WeaverConnect. Owners who register in the portal receive a 10%-off coupon. Email ownershares@weaverstreetmarket.coop for a link to your portal account.

- **New owner coupons.** We launched a weekly owners e-newsletter that includes a feature story and a unique coupon with awesome deals just for owners. Over 11,800 owners receive the weekly coupons. Favorites have been the 30%-off all Cheddar cheeses, 35%-off local ice cream, and a 5-10-15%-off coupon.

- **Owner survey.** The Board relies on the input of the 21,000 consumer owners and 221 worker owners in guiding the co-op, so please take this year's owner survey and talk to your Board at the Co-op Fair on Sunday, September 9. Or email us anytime at board@weaverstreetmarket.coop.



WSM's Local Impact



local economy

\$10.0 million

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

1.86 million

WSM customer transactions downtown

~130

LOCAL farmers & producers working with WSM

consumer owners & community

17,793

Consumer owners that **shopped at WSM**

\$376,600

Donated to local nonprofits working to end food insecurity.

\$20 million

Purchased in **local** and **co-op produced** products

employees & worker owners

5%

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

100%

Employees earning above Orange County Living Wage

221

Worker owners out of 250 total employees

Financial Report from the Board

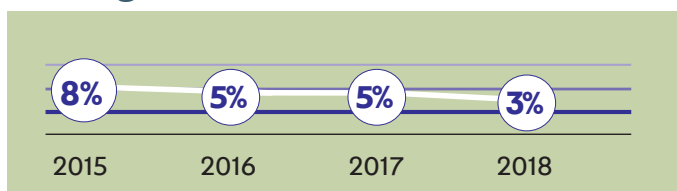
Co-op owners count on us to offer the best quality foods and to support local and small vendors, which means that our food costs will always be higher than other grocers. At the same time, survey results tell us that owners want our prices to be more affordable. In response, we decided not to raise retail prices last year even though our food cost went up. The impact of this on our financial performance is that our gross margin went down by 1.7%, which caused us to post a 0.6% loss for the year (see the Income Statement below).

We are making changes that will allow us to be profitable in the future at a lower gross margin:

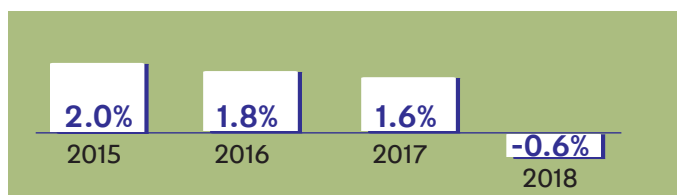
The Raleigh store will increase sales 25% when it opens in January. We are implementing new manufacturing and logistics systems that will improve forecasting and reduce waste. We are buying more products directly from producers, which eliminates the middleman markup.

Since our Co-op didn't have any profit last year, there won't be a patronage dividend. Besides the temporary drop in profitability, our other key financial indicators are strong, and we are making important investments to improve financial performance in the future. Throughout this annual report, you'll see many initiatives that not only make Weaver Street Market more relevant to our owners and community, but also ensure a sustainable financial future for our co-op.

Sales growth %

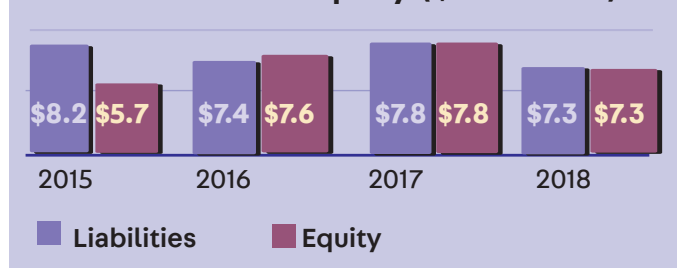


Profits %



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

Liabilities and Equity (\$ millions)



Income Statement	2016	2017	2018*
Sales	36,633,350	37,828,943	39,086,743
Food Costs	25,395,155	26,232,102	27,739,547
Gross Margin (sales-food costs)	11,238,195	11,596,841	11,347,196
Gross Margin as a % of sales	30.7%	30.7%	29.0%
Expenses	10,605,150	10,967,794	11,588,665
Expenses as a % of sales	28.9%	29.0%	29.6%
Profit	633,045	629,047	-241,469
Profit as % of Sales	1.7%	1.7%	-0.6%

Balance Sheet	2016	2017	2018*
Current Assets	4,725,416	5,721,310	5,031,158
Buildings and Equipment	9,946,955	9,320,638	9,168,799
Other Assets	386,914	597,697	490,665
Total Assets	15,059,285	15,639,645	14,690,622
Current Liabilities	2,968,612	3,294,369	3,059,523
Bank Loans & Mortgages	4,478,911	4,516,079	4,281,935
Total Liabilities	7,447,523	7,810,448	7,341,458
Equity	7,611,762	7,829,197	7,349,164
Total Liabilities/Equity	15,059,285	15,639,645	14,690,622

Key Indicators	Desired range	2016	2017	2018*
Sales Growth %	Greater than 1.5%	5%	5%	3%
Profit%	Greater than 0.5%	1.7%	1.7%	-0.6%
Current Ratio	Greater than 1.25	1.6	1.7	1.6
Debt to Equity Ratio	Less than 2	1.0	1.0	1.0

* 2018 numbers are preliminary and pre-audit

Rounding Up to Feed Hungry Kids & Families

Weaver
street
MARKET

COMMUNITY food partnerships

\$310,405
DONATED
THIS YEAR

10,348
BACKPACKS
OF FOOD

SCHOOL
363K
POUNDS
OF FOOD
THIS
YEAR

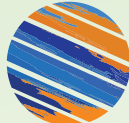
98,027
POUNDS
OF FRESH
PRODUCE
FOR FOOD
BANKS



FOR 800 KIDS

102,344
POUNDS
OF FRESH
FOOD

**TO
200
FAMILIES**



Cooperative Community Fund

Helping organizations connect the underserved in our communities with healthy, locally grown produce.



Thanks to your generous contributions, four local nonprofit organizations will receive a total of **\$5,900** in grants from our Cooperative Community Fund. Weaver Street grows the endowment 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. A committee of worker and consumer owners selected these recipients for their innovative and collaborative community projects.



\$2,000 for Chapel Hill Carrboro Meals on Wheels to outfit the expanded space at their new location to increase their ability to provide meals for their clients.

The funds will be used to purchase a large capacity freezer to freeze meals and heavy-duty storage shelves to hold shelf-stable meal options as well as emergency food and donated supplies and pet food. Chapel Hill Carrboro Meals on Wheels delivers hot, nutritious meals to the homebound and elderly, as well as those who are mentally or physically differently-abled and do not have a means of access to, or ability to prepare, healthy food. The simple act of a meal delivery combined with a friendly check-in helps alleviate hunger, reduce isolation, and improve both mental and physical health.



\$1,900 for Frank Porter Graham Bilingue Elementary School's "Garden Cooking & Education" program.

The new program will provide students access to cooking lessons and preparation of healthy fruits and vegetables from the school's community garden.

The funds will be used to purchase a mobile cart, equipment, tools, and supplies to bring more cooking and preparation lessons to the classrooms at FPGB.



\$1,000

for Orange Congregations in Mission (OCIM) to build a produce storage station.

The storage station will provide efficient storage for the bulk produce donated by Weaver Street Market owners and shoppers through their Round Up program. The pantry has limited refrigerated space, which limits the variety of fresh produce it can provide. The storage station will increase storage space for produce not requiring refrigeration.

OCIM's food pantry is 100% focused on providing healthy food to those in northern Orange County who are unable to purchase food for themselves and their families.



\$16,000

Weaver Street Market Grant to the Farmer Leadership Development Program at Transplanting Traditions Community Farm in Carrboro.

The grant provides a stipend for crucial living wage income and skill development for three female refugee farmers. Through the leadership development program, these farmers are gaining the skills to manage the operations of the farm, which follows a co-operative style business model. The goals of the program are to 1) facilitate the farmers in strategic decision-making skills, 2) build specific skill sets that allow the farmers to manage farm operations, 3) provide supplemental income at a living wage, and 4) create a more resilient and self-sufficient farm project that builds off of the grass-roots community-based participation of farmers.



\$1,000

for the Container Gardening Program for Refugee Women piloted by Church World Service (CSW).

The grant funds will be used to provide the gardening materials for a container vegetable gardening module that will empower participants to grow their own vegetables at home.

CWS Durham works in collaboration with community partners to equip refugees with the skills, knowledge, and support they need to become self-sufficient.



Co-op community fund endowment grows in 2018



Fall & Spring Wine Shows

\$18,690



Hope for the Holidays Purchases

\$13,166



Donated Dividends & Shares

\$8,387

Endowment now
TOTALS:

\$248,800

It's Election Time at the Co-op!



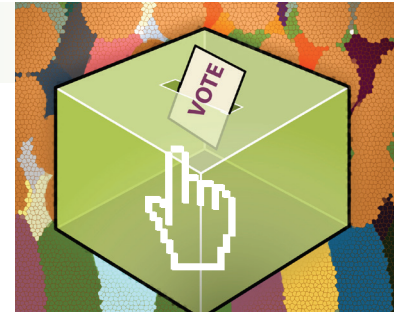
Consumer owners, vote in the Board elections:

- Online voting starts Wednesday, August 22
- Voting in the stores starts Tuesday, September 4
- Voting ends Sunday, September 16

Three ways to vote:

1. Vote online [here](#), by September 16.
2. Print a ballot [here](#). Bring the ballot to one of our stores or mail it in.
3. Vote at the election displays at our stores or at the Co-op Fair.

Remember with our new share system, the individual listed as the primary owner has a single vote in the election. If you are an owner who transitioned to our new share system from a 2-person or family share, you have the option to split the share so that you have two votes. Please allow a week for this process.



Candidates' statements

Glenda Clare



"I believe in Weaver Street Market. I will use my skills to improve access to healthy food, and support the local economy by paying livable wages, buying local and giving back to the community."

Watch Glenda's video [here](#). ▶

Hank Becker



"Weaver Street's mission includes not just healthy eating and locally sourced food but also being a co-op "for" and "by" the owners. I have—and will continue to—help the Market seriously address those goals."

Watch Hank's video [here](#). ▶

Consumer-Owner Candidates for the Weaver Street Market Board of Directors

Two consumer owners are running for WSM's Board of Directors.

Your vote matters! Remember to vote by September 16.

Thanks for your participation!



Hank Becker

Occupation and community involvement.

Ten years ago I retired from a career in education research and teaching in higher education, first at Johns Hopkins University and then at the University of California, Irvine. I spent a good portion of that time designing and interpreting surveys to better understand people's perspectives. Since moving to Chapel Hill in 2008, I have been involved in three main community activities.

- Weaver Street Market (see below)
- For the Shared Learning Association of Chapel Hill, I have spent 9 years

designing and leading courses for our retiree membership on food policy, environment and energy, human geography, political behavior, and social and political controversies. I have also held leadership positions with that organization for all of that time, including, most recently, developing an interactive website for two-way communication among participants in each of our courses.

- Since 2013, I have had similar leadership roles with the Friends of the Chapel Hill Public Library, co-directing the sorting and pricing of the 1,000+ donated books the library receives each week and organizing our triennial book sales of 20,000 items per sale.

Why I want to serve on the Board

Two years ago, when I was elected to the Weaver Street Board, I campaigned for the position (apparently unconventionally so) arguing that the co-op needed to find ways to increase opportunities for consumers to become involved in the Market in other ways besides shopping – “to make the co-op a true co-operative.” I proposed three things the co-op could do to accomplish that goal: a Meetup group for consumers to discuss healthy eating practices and Market policies; a set of volunteer committees to help the Market reach its goals (e.g., store advisory committees); and a structure for a lively exchange of ideas on the Market's own blog and website.

I have to tell you that I have learned a lot since then. First, I have come to understand that although the Board of Directors plays a critical role in assuring the success of the Market, that role is different than the role of management. It is the latter's responsibility to make decisions about operational practices (for example, whether the Market should

sponsor a Meetup group of consumer-owners). Instead, it is the Board's responsibility to continually enunciate the organization's essential values and long-term goals (“we must do more to enable consumers to have their voices heard by management”) and to monitor whether management is accomplishing our goals and prioritizing essential values of the co-op. For Weaver St., that means facilitating healthy eating among community members, supporting local and sustainable agriculture, helping maintain downtown areas as thriving communities, addressing food insecurity in the area, providing good working environments for our employees, and engaging consumers in the work of the co-op. This is a lot to ask in a marketplace dominated by huge grocery chains with their greater economies of scale.

Despite the difficulty of fulfilling these ambitions, the Market is doing very well, and I feel lucky to have been able to contribute to the Board's effectiveness over the past two years. With respect to my original objectives, the Market is moving slowly but deliber-

Describe your occupation and community involvement.

My work experience is in the fields of public health (community health education) and behavioral health. I hold three clinical licenses in North Carolina. I host the “We All Got ISSUES” radio talk. The show was created to educate, inspire and provide resources to people who want to move beyond the issues that challenge them in life. We discuss ISSUES pertaining to health, behavioral health, education, social justice and social enterprise/social entrepreneurship on the show. I am a member of Toastmasters International and the National Speakers Association.

I am an Associate Minister at Union Baptist Church in Durham. In 2016, I built a community garden on the property of a local church in the West End community of Durham, NC. I also helped the church to establish a food pantry. I am the NC representative for the national GrAND Voices Network.

Over the past five years, I've served as a volunteer with Briggs Community Garden, Forgiveness Ministry, Habitat for Humanity, SEEDS, StartUp Weekend Triangle, Health 2.0, Dress for Success, Cooking Matters with the Interfaith Food Shuttle, Resourceful Communities and the Annual Piedmont Farm Tour.

Why do you want to serve on the Board of Directors?

It was my intent to join a food coop when I returned to the NC Triangle in April 2006. I searched, found and later joined the Weaver Street Market. I've made at least one purchase at all of the locations. I enjoy shopping at the market. I like the selection of food, beverages, and wellness items offered. The staff is helpful and friendly. I've been impressed by the organiza-



Glenda Clare

tion's commitment to community service as demonstrated by the Annual Cooperative Community Fund Grants and Community Food Partnerships program.

I believe in the vision of Weaver Street Market. It aligns with my personal and professional values to:

- improve community access to healthy food,
- pay livable wages and support for those who work for the organization,
- support the local economy by buying from local farmers and the developers of wellness products, and
- give back to the community by supporting community projects and community food partnerships.

I am a possibilities thinker. My personal slogan is “Th!nk Possibilities”. I believe that I have a knowledge base, skills and experience that can benefit the Weaver Street Market community. It is my hope that I will be able to contribute as a member of the Board of Directors.

What experience do you have with Weaver Street Market, co-operatives, or small community-minded businesses?

(continued)

(continued)

(Hank Becker continued)

ately towards more consumer engagement. The General Manager is addressing many of the issues that consumer-owners raised in last fall's Consumer-Owner Survey and the Board is monitoring the progress being made; and we have begun planning other ways for how consumer needs and wants can be fulfilled under those conditions. I am hopeful that with the implementation of the new owner portal, WeaverConnect, there will be further ways for consumer-owners to share their knowledge and views with management and get timely feedback, and that it will enable consumer-owners to directly communicate with other owners on specific ideas that they generate. Such communication is part of what makes a co-op a true cooperative...and falls within the Board's responsibility for maintaining the organization's focus on two specific elements of its stated mission: "shared knowledge" and "shared community." If I am able to continue on the Board, I will continue to advocate for enabling this kind of communication as a valuable approach to the sharing of knowledge and the feeling of community belongingness.

In short, my main goal as a member of the Board will continue to be finding ways for (a) consumers to better understand the Market, (b) the Market to better understand consumers, and (c) interested consumer-owners to participate more directly in Market activities.

Experience with Weaver St. Market, coops, etc.

I have served on the Weaver Street Market Board since 2017. In addition, I have been a regular volunteer for the past three years with WSM-related food distribution efforts of PORCH and TABLE, and I also served on the Election Committee in 2014 and 2015.

Experience/skills/perspectives that I bring.

Please see my response to "why I want to serve" and "what else to know about me".

What else should others know about me?

Action is one important part of my life. Thought is another. To paraphrase one of my sweatshirts, "So much to learn; so little time!" I've found that the most valuable part of retirement from paid employment has been the opportunity I've had to try to better understand the world and how people think. Reading, writing, and listening and talking to other people are priorities in my life. Much of that focus is about (1) environmentally responsible public policies regarding our food supply, (2) the economics of food co-ops, and (3) conflicting views about what constitutes "healthy eating." Those concerns do compete with others; in particular, why people disagree about political and social issues and why our political system has been failing our society. Regardless of the domain, though, thinking through complex issues is what I like to do best.

I would be delighted to talk about these issues with any consumer-owner and can be reached by email at hjbecker@uci.edu and by phone (day and evening) at 919-932-7356.

(Glenda Clare continued)

A cooperative is an organization that is owned and run jointly by its members who share the profits or benefits.

My experience with Weaver Street Market is limited to community owner membership. I've attended Annual Fairs at the Food House and made at least one purchase at each location. I've reviewed the website and attended informational board meetings to learn more about the organization. I've also spent time talking with individual board members.

My most extensive participation in a cooperative began in the mid 1990s when I joined the Black Women's Investment Corporation (BWIC). As a partner in an incorporated investment club, everyone was involved in the study of prospective investments and decisions regarding whether to purchase, sell or hold. The organization was owned and run jointly by its partners.

What experience, skills or perspective will you bring to the Board?

I possess a number of skill sets that I believe may benefit the Board:

I am a **health educator/consumer educator**. I've learned to be a wise consumer. I've taken the time to learn to shop economically and purchase food and other products based on how they will impact my health and the health of my family. Being a wise consumer is a skill that is learned over time. I think it is important to provide information to current and prospective clients. Currently there is a growing population that shops at Whole Food that I believe would have an interest in becoming members of Weaver Street. I host a radio talk show. Health/behavioral health consumerism is the focus of the show. In the past, a local health coach has talked about health implications associated with the use

of household cleaners and topical agents. I welcome an opportunity to discuss nutrition and product related topics.

I am a social scientist, skilled in **community outreach and engagement**. As a health educator, I've engaged in the practice of community outreach and engagement and taught best practices to others. I am skilled in working with gatekeepers to learn how to better engage communities they serve to have a win - win for all involved.

I am skilled in **grant writing and review**. I've written grants. I've served as a grant reviewer for organizations issuing requests for proposals (RFP) at the state and federal organizations focused on health and human service. In statewide meetings attended in recent years, representatives from schools throughout North Carolina have expressed concern regarding the food fed to school aged children. I believe there are opportunities to contract with public, private and charter schools to provide healthy meals for children and young people.

I am an experienced radio **talk show host, moderator, group facilitator and award winning speaker**. I am a radio talk show host at WCOM. I am a member of Toastmasters and the National Speakers Association. I've spoken at workshops and conferences throughout the nation. **Include anything else about yourself that you may like others to know.** I am eager to serve. I am also eager to learn.

Contact Information:
Glenda Clare,
drclare@fragilefamiliesnetwork.com

Consumer-Owner Representative to Weaver Street Market Board of Directors

VOTE online
8/22-9/16

The primary owner listed on the share is entitled to cast the vote for the share.

VOTE in stores
9/4-9/16

Vote for ONE candidate.

- ☐ **Hank Becker**
☐ **Glenda Clare**

Ballots must include the following to be counted:

Primary Owner: _____
Name should be as it appears on the share.

Owner Number: _____
Number must be correct.

DEPOSIT: in Ballot Box near the check-out at any WSM store **September 4 -16 OR**
MAIL TO: Election at Weaver Street Market, 437 Dimmocks Mill Rd., Suite 10, Hillsborough, NC 27278
Must be received by 10 pm, September 16, 2018.

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





**SUNDAY,
SEPTEMBER 9**

2 - 5 PM

WSM Food House,
437 Dimmocks Mill Road, Hillsborough



Owners, it's time for the Fall Co-op Fair!

Meet
the Board
Candidates
at the
Co-op Fair



get your ticket



HERE

Our semiannual co-op fairs are held at our Food House facility in Hillsborough. Owners **tour the Food House**, where our chefs and bakers have prepared **tastings and demonstrations**. Meet the crew and see what we do every day!

Outside on the patio, local and co-op vendors sample their goods. This year, in honor of our 30th anniversary, we've invited some of our **Animal Welfare Approved** partners to showcase their products and share their story: Carolina Farmhouse Dairy, Chapel Hill Creamery, Firsthand Foods, Prodigal Farm, and The Pig. Our representative for Riojana Winery will be on hand sampling wine.

Inside, you can chat with members of our board of directors as well as board candidates running in the 2018 board election. Browse informational tables, visit with the winners of the 2018 CCF grants, and learn about applying for a grant for your nonprofit. We'll have new updates on the Raleigh store. And we'll have fun giveaways!

