

Weaver
street
MARKET

2019 Annual Report

you're invited!

SUNDAY,
SEPTEMBER 22
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 RSVP 

What it means to be a co-op

People often ask us what it means to be a co-op. At first glance, Weaver Street Market looks like any other grocery store. Walk through our doors and you'll see plenty of familiar sights: fresh produce, aisles of grocery, a large deli, and checkout registers.

But underneath, we're very different: **the people who shop and work here are the owners of our business.** That fundamentally alters the way we operate Weaver Street Market and **gives us the ability to make a more positive impact in the communities** where we operate.

Four pillars

express the values and impact that drive all that we do:

Trusted Quality: Being a co-op means that our first priority is to meet the needs of our consumer owners. While other grocers are paid to carry and promote manufacturers' products, we act as a buying agent for our customers. Our focus is sourcing – and making – the fresh, healthy, and sustainable products our customers want.

Locally Sourced: Being a co-op means that we place a value on carrying products from local and independent producers. Roughly half of our total sales come from local and independent producers, including more than 100 North Carolina farmers and producers. We value these long-term partnerships and are proud to work with producers who share our values.

For the Community: Being a co-op means making our community a better place. It's not just about the goods that we sell, it's also about the good that we do. That's why we lead initiatives that reduce hunger, promote sustainable packaging, and build a sustainable food system. Supporting our community also includes paying our workers the most that we can, rather than the least amount we can get by with.

By the Community: Being a co-op means sharing our success with our 20,000+ consumer owners and 225+ worker owners. All of our earnings are returned to our owners through dividends or re-invested to help our business grow and improve. We are delighted to continue growing our family of owners. This year, we have added 1,585 new co-op owners, including 500 owners who bought shares online and 35 community shares that are owned by SNAP recipients.



Weaver Street Market Board

From left: Alice Ammerman, Linda Stier, Dave Bright, Jon McDonald, Glenda Clare, Ruffin Slater.

Weaver Street Market's impact on our community is summed up in our "ends statement."

Ends Statement

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

It is the job of the General Manager and Board of Directors to ensure that Weaver Street Market operates in a way that fulfills these goals.

While being a co-op comes with its fair share of challenges – we don't have the buying power of a big corporation or the systems of a big chain – we would never trade places with a traditional grocer.

Weaver Street Market and other co-ops can accomplish the same goals of a conventional business, but we can do it in a way that makes people better off, improves our environment, and gives people control over their destiny and hope for the future.

Trusted Quality

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

- **New Healthier Sandwich Bread.** Our bread bakers re-vamped the recipes for most of our sandwich breads to add healthy SuperSprout™ 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. It makes breads moister, softer, and better tasting.
- **Weekly Owner Coupon.** We launched a new coupon program as an owner benefit. With the coupons, owners get great savings on their choice of top-quality items, like “all cheddars” or “all local frozen desserts.” Owners receive the coupon in their Wednesday e-news, and most coupons can be used repeatedly throughout the week.
- **Customer Register Survey.** For the past year we’ve been running a survey of customers, chosen randomly at the register. Customers complete an online survey about their shopping experience. The responses help us continually improve our stores, one shopping trip at a time.
- **New Artisan Sandwiches and Fresh-Baked Pizza.** At our new Raleigh store, we’ll be offering an exciting new line of artisan sandwiches, pizza baked onsite, and a new noodle bar. All will feature vegetarian, vegan, and meat options. Later in the year, we’ll add the new food to our other three stores.

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.

- **New Local Farmer.** We continue to source seasonal produce from local farms. This past year, we added Red Hawk Farm in Hurdle Mills. Brett Evans and his farm crew grow flavor driven, chemical free vegetables year round in the fields and in hoop houses. Weaver Street carries a selection of baby lettuces, mini peppers, and herbs.
- **New Organic Co-op Wine.** Our best-selling wines this year came from the Moncaro Winery, an Italian co-op of small farmers. By banding together in a co-op, the farmers can sell the organic grapes from their small plots of land for a good price. Moncaro farmers have been cultivating organic grapes since 1980, and the farms are certified as a socially responsible work environment.
- **Fair-Trade Benefits.** Our friends at La Riojana co-operative in Argentina shared great news this summer. Construction is underway on the regional health clinic they’re building using the fair-trade premiums from sales of Riojana wine and olive oil sold in our stores and co-ops across America. The clinic is a non-profit project that will be free for patients.



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.



- **New Downtown Raleigh Store.** We're opening our fourth store in Raleigh's burgeoning Warehouse District in September. The 13,000-square foot store is located at The Dillon. The café will serve artisanal sandwiches, fresh baked pizzas, and a noodle bar. The store was designed to be a community gathering place as well as a store and café. It features an indoor mezzanine and outdoor balcony that overlooks a block of Hargett Street. The mezzanine seats 200 and has a wine and beer bar, a cooking classroom, and a community conference room. We've hired 70 employees to manage and staff the store.



- **Carrboro Lawn Renovations.** Our popular and heavily trafficked Carrboro lawn underwent major renovations this year. The renovations include an expanded patio area that provides more space for gathering with friends and family, eight new shade trees, a native plant border along the street, and a synthetic grass area (made from sugar cane). Refinements will continue in the coming year. The synthetic grass area will be expanded—it's a favorite place for kids of all ages to hang out—and more bike racks will be added.

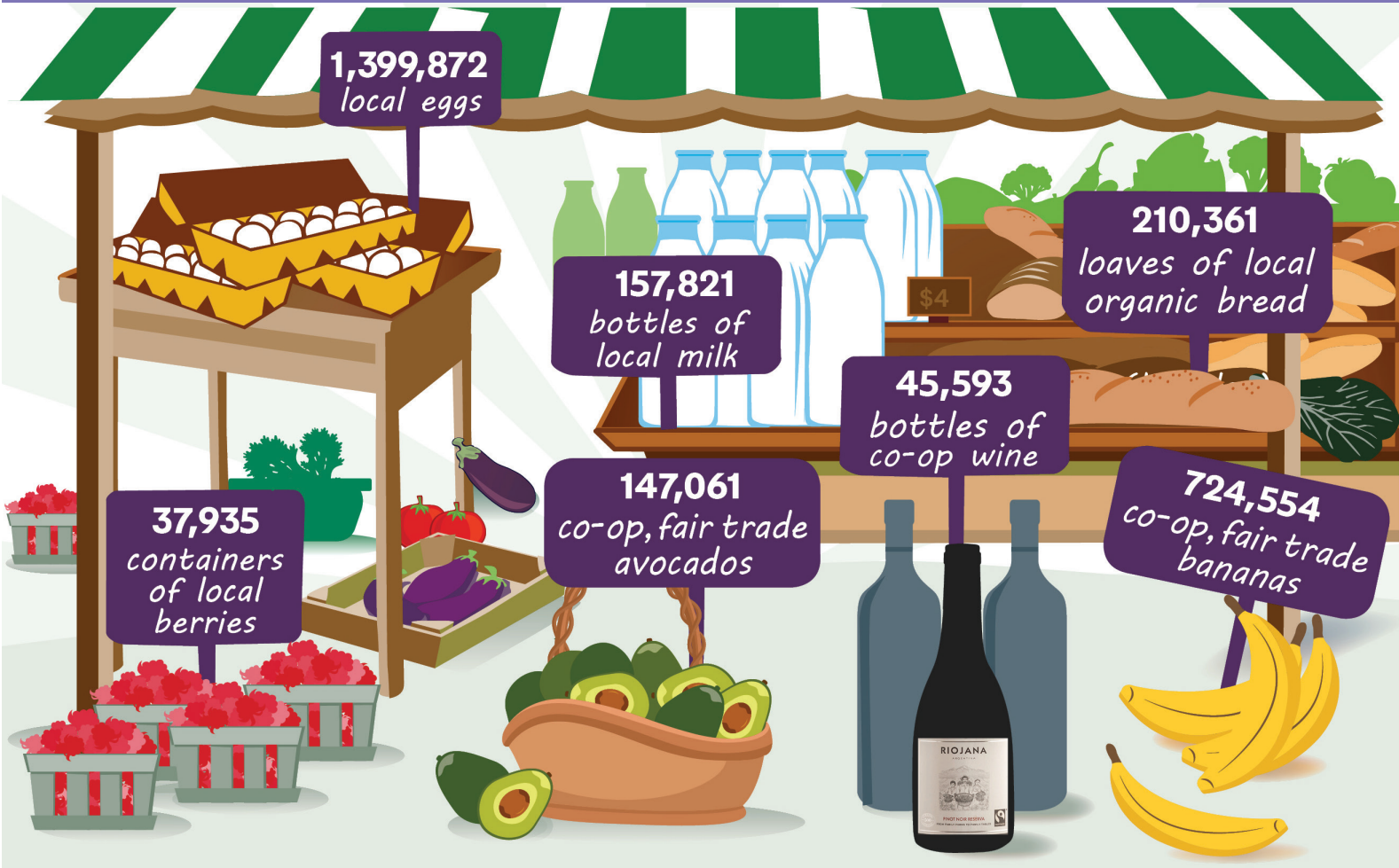
By the Community

Weaver Street Market is a co-op, owned by its members and employees. When we're successful, everyone in the Weaver Street community benefits.

- **Eliminated Single-Use Shopping Bags.** On Earth Day, April 22, Weaver Street Market became the first grocer in North Carolina to eliminate all single-use shopping bags. A typical Weaver Street shopper uses about 150 bags each year, which means we'll eliminate the use of more than one million single-use bags each year. Shoppers who do not carry their own bag can purchase for 99 cents a reusable "Weaver Bag" or for 15 cents a "Bring it Back Sack" made of heavy-duty recycled plastic sturdy enough to be re-used up to 125 times.
- **Owners Round Up!** Owners rounded up their transactions 624,477 times for \$275,756.51. The average Round Up was 44 cents. That's our community making a huge difference with their change. This coming year, we're excited to add our first Raleigh Round Up partner—A Place at the Table, a pay-what-you-can café. We're also adding two Meals-on-Wheels organizations that serve food insecure seniors in Orange County.
- **Owner Capital Loans.** Co-op owners have invested \$2 million in capital loans to help start the Weaver Street Market store in Raleigh. Co-op owner loans are an opportunity for co-op owners to invest in Weaver Street Market and receive a financial, social, and environmental return.



Weaver Street Market's Local Impact



local economy

\$10.3 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

170

LOCAL farmers & producers working with WSM

consumer owners & community

18,875

Consumer owners that **shopped at WSM**

\$297,000

Donated to local nonprofits working to end food insecurity.

\$20.6 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

226

Worker owners

Financial Report

2019 was a mixed year financially for Weaver Street Market. Some results were strong, but one-time and unexpected expenses caused a significant loss for the year. Since our co-op didn't have any profit for the year, there won't be any patronage dividend.

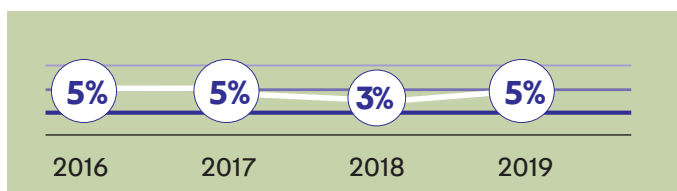
On the positive side, sales grew 5% compared to last year and store efficiency improved, with sales-per-labor-hour increasing 2% over last year. Overall, store profits were steady.

However, we made several investments that added one-time expenses. The biggest was pre-opening costs for the Raleigh store. We made a major investment in new employee training to make the store as successful as possible, and paid rent on the building while we were completing the upfit. In addition to the investment in the Raleigh store, we installed new logistics software in the Food House that will enable us to increase the amount of local food that we produce and distribute. Together these investments accounted for half the loss for the year.

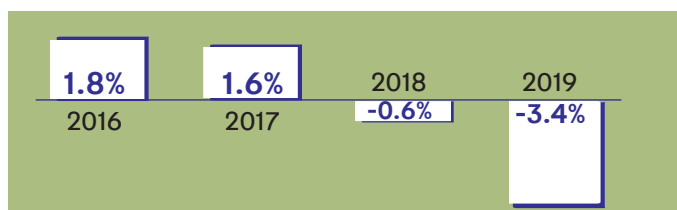
The other half of the loss was due to unplanned expenses. Weaver Street Market is self-insured, and health care claims reached 95% of our maximum exposure for the year, compared to 62%-78% for previous years. Health claims are somewhat unpredictable, but they typically average out over time, and we happened to have a particularly bad year in 2019. Just in case, we increased the health care budget next year by 12% to create a buffer against unanticipated future claims. We also instituted an innovative wellness program with individual health coaching that should help keep costs down in the future.

The good news is that the investments that we made this year will position us to be more profitable in the future. The Raleigh store will add needed economy of scale that will help us compete with larger competitors. The investment in logistics and systems will make us more efficient. Financial sustainability is of paramount importance for our co-op, and we are working hard to improve our profitability at the same time we are increasing our positive impact.

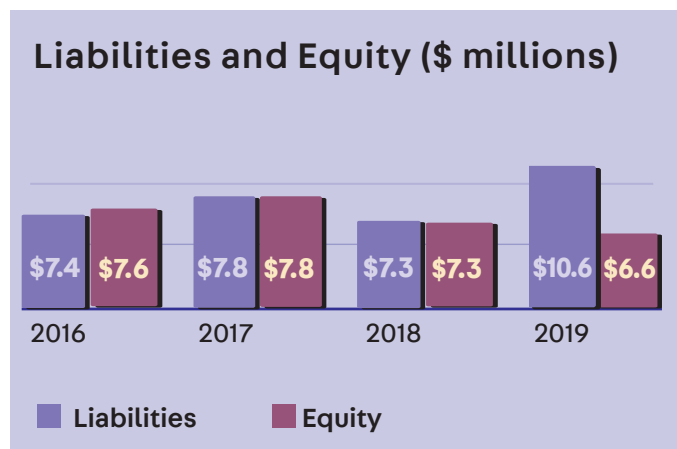
Sales growth %



Profits %



Liabilities and Equity (\$ millions)



Income Statement	2017	2018	2019*
Sales	37,828,943	39,086,743	41,122,260
Food Costs	26,232,102	27,739,547	28,555,453
Gross Margin (sales-food costs)	11,596,841	11,347,196	12,566,807
Gross Margin as a % of sales	30.7%	29.0%	30.6%
Expenses	10,967,794	11,588,665	13,955,063
Expenses as a % of sales	29.0%	29.6%	33.9%
Profit	629,047	-241,469	-1,388,256
Profit as % of Sales	1.7%	-0.6%	-3.4%

Balance Sheet	2017	2018	2019*
Current Assets	5,721,310	5,031,158	3,754,099
Buildings and Equipment	9,320,638	9,168,799	12,892,167
Other Assets	597,697	490,665	566,868
Total Assets	15,639,645	14,690,622	17,213,134
Current Liabilities	3,294,369	3,059,523	3,394,164
Bank Loans & Mortgages	4,516,079	4,281,935	7,196,700
Total Liabilities	7,810,448	7,341,458	10,590,864
Equity	7,829,197	7,349,164	6,622,270
Total Liabilities/Equity	15,639,645	14,690,622	17,213,134

* 2019 numbers are preliminary and pre-audit

Rounding Up to Feed Hungry Kids & Families

Weaver
street
MARKET

COMMUNITY food partnerships 2015 - 2019

\$885,814
DONATED

27,576
BACKPACKS
OF FOOD

SCHOOL
1
MILLION
POUNDS
OF
HEALTHY
FOOD

256,117
POUNDS
OF FRESH
PRODUCE
FOR FOOD
BANKS AT
IFC & OCIM

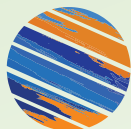


FOR 1,000 TABLE & OCS KIDS

356,382
POUNDS
OF FRESH
FOOD



TO 250
PORCH
FAMILIES



Cooperative Community Fund

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

This year's grants help organizations connect the food insecure in our community with healthy food. The projects funded also provide innovative ways for the recipients to have choices and input into food received based on their needs and the preferences of their families.

Thanks to your generous contributions, three local nonprofit organizations received a total of \$5,200 in grants from our Cooperative Community Fund. Weaver Street grows the endowment fund through contributions from owners and shoppers, including purchases 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. This year the committee retained \$2,220 of the available grant funds to award in January 2020. A call for grant applications will be announced November 6.



\$1,900 ▸ **PORCH**

for PORCH Chapel Hill-Carrboro to continue and expand its “PORCH Cooks” educational program.



PORCH Food for Families clients receive recipes and nutritional information with each month's food delivery.

PORCH Cooks aims to increase consumption of fresh foods by providing nutrition education and recipes to help families participating in the Food for Families (FFF) program. Families also receive the award-winning cookbook *Good and Cheap, Eat Well on \$4/Day*, which focuses on healthy eating on the equivalent daily funds provided by the SNAP/food stamp program. 85% of the FFF recipients report that the PORCH Cooks program helped them use more of the food provided by PORCH.

\$1,700 ▸ **INTER-FAITH COUNCIL**

to support a new “member choice” model for the new Food Pantry at the Inter-Faith Council for Social Service (IFC).

IFC's Food Pantry provides member-clients with dependable access to fresh foods, including vegetables, fruit, meat, eggs, and dairy. The new Food Pantry, which opens in 2020, will feature a member choice model that allows member-clients to make food selections most appropriate for their families. The grant funds will be used to purchase convertible hand trucks to facilitate the efficient stocking of fresh food and to purchase grocery carts to provide a more dignified and convenient shopping experience for member-clients.



IFC's food pantry has a temporary location while the Food First Building is under construction.



\$1,500 FARM AT PENNY LANE

to expand the Farm-to-Home Produce Pack program at The Farm at Penny Lane.

The Farm-to-Home Produce Pack program provides boxes of fresh healthy produce to client-patients of the Center for Excellence in Community Mental Health. The produce is grown at the Farm at Penny Lane. Client-patients receive hands-on support from family or staff for handling and preparing the fresh food. Grant funds will be used to pay for construction costs to build a walk-in cold storage space. The cold storage space will allow the farm to increase its yield, maintain the nutrients of the fresh produce, and increase the number of clients served.

Managers at Penny Lane Farm give a tour to members of the CCF Grant Committee.

\$16,000

TRANSPLANTING TRADITIONS

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 three-year 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.



Farm managers in second year of training to take over operations of the farm.

Co-op community fund endowment grows in 2019



Fall & Spring Wine Shows*

\$7,452



Hope for the Holidays Purchases

\$12,545



Donated Dividends & Shares

\$1,704

Endowment now TOTALS:

\$269,500

* Proceeds from the fall wine show went to RAFI for Hurricane Florence Relief

It's Election Time at the Co-op!



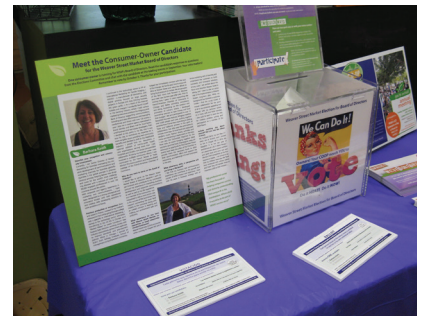
Consumer owners, vote in the Board elections:

- Online voting starts Thursday, August 29
- Voting in the stores starts Tuesday, September 10
- Voting ends Sunday, September 29

Three ways to vote:

1. Vote online [here](#), by September 29.
2. Print a ballot [here](#).
Bring the ballot to one of our stores.
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. There is one vote per share.



Candidates' statements

Alice Ammerman



"The vision of WSM aligns with what matters to me most - personally and professionally - assuring that everyone has access to nutritious, good tasting, food that supports local food systems and environmental sustainability."

Jae Furman



"Weaver Street Market offers a unique opportunity for community members to actively participate in weaving together a network of healthier life choices for everyone. With your help, I'd like to continue and strengthen this tradition."

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 29.

Thanks for your participation!



Jae Furman

Describe your occupation and community involvement.

Most of my work time is spent analyzing data and writing reports that tell stories about the overall health of organizations, focusing on key performance metrics and specializing in customer satisfaction, e.g., customer and community relationships. These organizations include Fortune 100 companies and universities. For life balance, I have been teaching yoga classes for almost 20 years and I volunteer for a few conservation and outings groups as a hike leader.

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

I'd like to give something back after receiving so much goodness from our coop. I would like to help wherever help is needed especially if it involves building an even stronger connection with local communities, e.g., suppliers, shoppers, musicians, artists, employees, students, and the environment.

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

I have been a WSM member for over 20 years, watching the coop grow not only as a grocery provider but also as a community partner. I am so joyful about WSM giving us so many fresh food choices of the highest quality. I visit the three stores in Orange County often to enjoy shopping and events. I like the way the stores weave themselves into the communities where they are located. Employee members are always super-friendly and helpful.

I like to volunteer for local conservation groups because they also connect deeply with local communities. As a hike leader, I enjoy connecting people with nature while guiding them through the special beauty of our local lands.

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

I have many years of experience with customer and employee satisfaction, and leading process improvement activities that strengthen customer and employee relationships.

Include anything else about yourself that you may like others to know.

I love fruit smoothies and love to make them for others. I stop for turtles.

Contact information:

I hang out at Weaver Street Market quite a bit. You can also connect by email: outdoorsevents@gmail.com.

Describe your occupation and community involvement.

I like to think of myself as an academic activist. I am on the faculty in the Department of Nutrition, UNC-CH, Gillings School of Global Public Health and direct the UNC Center for Health Promotion and Disease Prevention, one of 25 CDC (Centers for Disease Control and Prevention) Prevention Research Centers nationally. My research and teaching are based on community engagement and are very applied (translating research into real world practice), with a focus on chronic disease prevention (heart disease, obesity, diabetes, and cancer), particularly among lower income and underserved populations. I teach courses in nutrition policy and in public health entrepreneurship. I am fortunate that my research and teaching involve many partnerships with community-based organizations that focus on health promotion, such as health departments, community health centers, and farmer support organizations. I serve on a number of advisory boards related to public health, and sustainable food systems including Feast Down East.

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

For the past 2 years I have served on the board and would like to serve another term to continue import-



Alice Ammerman

ant work in progress. The WSM focus and mission is very much in line with what matters to me most in my professional and personal life – assuring that everyone has access to nutritious food that is produced and distributed in such a way to support local agriculture and environmental sustainability. I am happy that WSM policies and principles are evidence-based in terms of healthful dietary practices and environmental sustainability, and that outreach to the community is a priority. I would be happy to continue to work with others to keep moving the WSM mission forward, including new and innovative strategies to improve healthy food access. A related area of interest is developing approaches to reducing food waste, as a way to reduce business loss, control prices, and improve healthy food access. I also recognize the challenges we face as new food retailers enter the Triangle area

(continued on pg. 12)

(Alice Ammerman continued)

and hope to work with others to promote the value of Co-ops like Weaver Street, benefitting consumers, workers and the broader community.

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

In addition to my 2 years of service on the board, I am proud of our low WSM membership number of 986, indicating that our family has been a member since nearly the beginning. Prior to this I was a member of the Durham food co-op in it's earliest iteration, interestingly called "The People's Intergalactic Food Conspiracy #1." We have come a long way since those days when members cut the cheese and bagged the pre-ordered produce and grains, but the spirit of working together for the common good remains. Because I teach a course in public health entrepreneurship, I have a lot of contact with small community-minded businesses and often feature their founders and leaders as speakers in my class. I have learned a lot about the challenges and opportunities involved with successfully running a business, either non-profit or for-profit. A particular focus of my class is the notion of "doing good while doing well," or the triple bottom line (social, environ-

mental, financial), also an important mission of WSM.

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

Because my nutrition-related research and teaching focus is applied (to humans in real world settings, vs. mice/rats or test tubes!), I keep up with the latest evidence on diet and health, which probably appears to many to be changing daily! I think I have a good perspective on weighing the evidence from research but also applying it to real world decisions about what foods to put together for an overall healthy (and enjoyable!) diet. This could be useful both for the purposes of making decisions about the types of products to be sold at WSM as well as helping customers/consumers make healthy choices within the store. I believe strongly that food should be a source of joy, sharing, and celebration, and as a "card carrying" nutritionist, I try hard to avoid the label of "diet police!" I also have a strong interest, some expertise, and many partnerships related to rebuilding the local food system. I have collaborated on a number of projects designed to increase market opportunities for farmers while also making local food affordable for a broader segment of the population. Finally, some of my work has involved "behavioral

economics" as a way of "nudging" people toward healthier/wiser choices without finger wagging. There could be many creative opportunities within the WSM stores to gently steer people toward the healthiest choices. Thankfully, relative to many food retailers, it's hard to go too far wrong at WSM. Finally, as an academic directing a "soft money" (funded only by grants and contracts) Center, I am very experienced with grant writing and a wide variety of funding agencies and opportunities. I think this could be a way to help WSM expand its reach with grant-funded programs addressing healthy food access.

Include anything else about yourself that you may like others to know.

I am an avid cook and enjoy my regular Saturday morning routine of the farmers market and then WSM. My husband and I have lived in Chapel Hill for 30 years and raised our 3 boys here. I am the founder of Good Bowls LLC, producing a healthy frozen meal product supporting local farmers and rural economic development while tackling food insecurity using a cost-offset model.

Contact information:

alice_ammerman@unc.edu
Cell: 919 259-6792

BALLOT

Consumer-Owner Representative to Weaver Street Market Board of Directors

VOTE online
8/29-9/29

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

OR
VOTE in stores
9/10-9/29

Vote for ONE candidate.

- ☐ **Alice Ammerman**
☐ **Jae Furman**

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 10 -29**

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





**SUNDAY,
SEPTEMBER 22**

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

We'll be taking photos and videos at the event. By reserving a ticket and attending, you are consenting for all attendees to be filmed.

Our 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 producers will be sampling their goods. You'll enjoy hanging out with folks from Red Hawk Farm, Mills Family Farm, Firsthand Foods, Locals Seafood, Transplanting Traditions, Farmer Foodshare, Paradox Farm, Celebrity Dairy, and more. We've also invited our new co-op friends and partners, Carolina Textile District and Coastal Credit Union, to showcase their products and share their stories. Our representative for Riojana Winery will be sampling wine as well as sharing the story of how Fair Trade has provided for a new Health Center for the Riojana community.

Inside, you can chat with members of our board of directors as well as board candidates running in the 2019 board election. Browse informational tables, visit with the winners of the 2019 CCF grants, and learn updates about the Community Food Partnership and the impact of the Round Up! program. We'll have updates on the newly opened Raleigh store. And there will be fun giveaways!

View a photo gallery of a past fair here.



Explore an interactive map of a past fair here.