



2018 The Food Co-op Impact Report



Repurposed windows and cedar paneling

2018 IMPACT REPORT: INTRODUCTION

The Food Co-op has always had a strong commitment to environmental stewardship. And while we take measuring and reporting on our sustainability practices seriously, we don't think that means reading about it has to be serious or hard, just meaningful and possibly fun!. Every year since 2012, The Food Co-op has tracked and reported on our environmental impact, noting where we have made improvements and what we want to do differently next year. In 2018 we embarked on a long-awaited expansion and remodeling project of our store. By the end of the year, we had added 2,998 square feet of backrooms, and in early 2019 we added 1,500 square feet of retail space by removing the old backrooms while simultaneously reorganizing and refreshing the entire store. During this massive undertaking, we looked for ways we could lessen our impact, from purchasing energy-efficient equipment to recycling materials throughout the construction project. And while this report can't quantify the impact of those efforts yet, we look forward to tracking them in the upcoming years.

My thanks to all our staff at the Co-op—for caring about being good stewards, for helping us reduce our carbon footprint, and for truly making a difference! And a special shout out to those who serve on SURF—our green team—and for those who helped collect the data for this report. Please feel free to contact us if you have any burning questions or comments at (gm@foodcoop.coop).

In cooperation,

A handwritten signature in black ink, appearing to read 'Kenna S. Eaton', with a long horizontal flourish extending to the right.

Kenna S. Eaton, GM

THE FOOD CO-OP MISSION, VALUES & ENDS

The Food Co-op's commitment to sustainability is embedded in our mission and our values. In 2018, in collaboration with our community and staff, we embarked on a year-long process to review and refresh these important statements in order to state clearly and simply our intentions.

In May of 2019 we adopted the following mission:

Working Together
to nourish our community



In the spirit of working together to nourish our community, we affirm these values:

INCLUSION: We work to welcome and include our whole community.

RESPECT: We respect our community as individuals and treat each other with civility and respect.

PARTICIPATION: We participate whole-heartedly in our community, our local food system, and the governance of our co-op.

INTEGRITY: We commit to integrity in our work, governance, and community relationships.

LOVE: We love what we do, and we share that passion with our community.

STEWARDSHIP: We steward our resources to sustain and regenerate our community.

RESILIENCY: We build resiliency in our community, economy, and food system so that future generations can thrive.

To help accomplish our mission, we write a strategic plan every five years, which spells out five major goals—called Ends.

OUR ENDS:

MARKET RELEVANCE: Our community is well served by a strong cooperative grocery store, integral to the lives of our customers and our farmers and producers.

FOOD SYSTEM DEVELOPMENT: Our community has a resilient local and regional food economy, supported by our Co-op and our community partners.

THRIVING WORKPLACE: Our staff and board have the knowledge, skills, and passion to make our cooperative thrive.

ENVIRONMENTAL SUSTAINABILITY: Our members and customers are proud to shop at a local cooperative grocery that is working to reduce its impact on the environment.

OUTREACH: Our community is informed, engaged, and empowered to join us in making a difference.

REPORT FRAMEWORK

To help focus and track our sustainability work, The Food Co-op became a member of the Sustainable Food Trade Association (SFTA) in 2012. The SFTA has identified eleven key areas of sustainability, providing its members with a common framework for collecting data. Each quarter General Manager Kenna Eaton collects data on these key areas from staff, using the material to compile an annual report. The areas include:

1. Organics
2. Distribution and Sourcing
3. Energy Use
4. Climate Change and Emissions
5. Water Use and Quality
6. Solid Waste Reduction
7. Packaging and Marketing Materials
8. Labor
9. Animal Care
10. Sustainability Education
11. Governance and Community Engagement

1. ORGANICS

We've been selling organically grown food since before being organic was cool. In fact, our produce department stocks almost exclusively certified organic fruits, vegetables, herbs, and fungi. In 2007 it became the first produce department to be certified organic by the Washington State Department of Agriculture, and twelve years later we are still the only certified organic produce department on the Olympic Peninsula.

We direct our buyers to use our internal guidelines, titled "Products We Choose to Carry," when sourcing new items for the store and direct them to give preference to organic products whenever they are available and it is economically feasible. We see certified organic as the gold standard and prefer to select those items whenever possible. We have seen sales growth of organics trend upwards 30% over the past six years but flatten out this year.

We continue to be committed to not bringing in any items that may contain GMOs. Since making that decision in 2012, we have been able to eliminate most of the legacy items that might contain GMOs, with the final products transitioning to verified non-GMO. We have also seen some producers begin to label existing products as possibly containing GMO ingredients and, while we applaud their transparency, we look for replacements for those items.

For over 10 years we have partnered with the Organic Seed Alliance (OSA), based in Port Townsend, to support development of open pollinated seeds that can thrive in our changing North West micro climate. Seed is tested and developed on organic farms around the region because organic farmers don't use synthetic pesticides and fertilizers which can substitute for important plant traits like disease resistance. Notable seeds developed during this time include spinach, purple sprouting broccoli and sweet corn.



supporting
organic



45%
of total store
sales from
organic products

including
~ \$3 million
in organic produce

Partnered with the
OSA
Organic Seed Alliance
on Purple Sprouting
BROCCOLI



2. ALL ABOUT LOCAL

The word local continues to resonate with shoppers, and we also think buying local is super important because it helps keep our community strong. However, not everyone has the same definition, so we think it's also important you know what we mean when we say local. The Co-op defines local as grown or produced within the five counties adjacent to and including our own—Jefferson, Clallam, Island, Kitsap, and Mason. In 2018, we revised our local logo from “L” to “Local 5” to better reflect that definition, and we refreshed the map defining our region (see side bar). The Co-op also distinguishes items grown or produced in Washington State outside the five-county local area with a “Local-WA” label, which helps shoppers identify the spheres of local and regional production.

Our purchases from Local 5 producers increased in 2018 to a total of \$1,685,647, or 10.84% of annual store sales. This reflected an increase in dollars of 5.53% since 2015 but was flat as a percentage of sales.

We think this lack of growth was partly due to our limited ability to house locally produced goods and became a significant driver in our desire to increase our holding and selling capacity with our remodel. As a result of the addition and remodel we have grown our footprint by 25% and increased our capacity to store and sell goods. Our produce department doubled their cold storage and our meat department tripled their production facility. Both of these actions should increase our ability to buy and sell locally produced goods.

In 2018 we continued to partner with key stakeholders such as the Jefferson County Farmers Market to develop a marketing campaign to promote “Eat Local First.” While progress was made in identifying our goals and tactics, this campaign is currently planned to launch in 2020.



LOCAL 5

Products grown/produced in Jefferson, Clallam, Kitsap, Mason and Island counties.



LOCAL WA

Products grown/produced in Washington State.

782 Local Items

&

1,205 items from WA

WHAT'S Local



Products grown or produced in Jefferson, Clallam, Kitsap, Mason & Island counties.



Products grown or produced in Washington State.



Sales from local products total:

\$1.69M
in revenue dollars



3. ENERGY USE

Reducing energy use is part of our ethos here at The Food Co-op, and every time we buy a new piece of equipment or change out a light fixture, we look for more energy efficiency.

One way to measure energy usage is to track the British Thermal Units (BTUs) used annually. In fiscal year 2018 we continued our 5-year trend, reducing our total BTUs to 138,617/SF, a decrease of 6% over the previous year, which also has the effect of mitigating our climate impact. We credit some of our drop in BTU usage to a relocation of our propane tanks early in 2018, possibly eliminating an underground propane leak.

As part of our remodeling project we bought almost all new equipment including coolers, freezers and lights. Energy conservation was a key driver in selecting the new equipment. New retail coolers and freezers will have sensors that turn off the lights when not being used. The new lighting scheme also reflects the changes in the energy code and allow us to be more selective in how much light is used and when.



Energy use reduced

15%

over 5 yrs

TOTAL ANNUAL ENERGY USED IN BTU'S



4. CLIMATE CHANGE

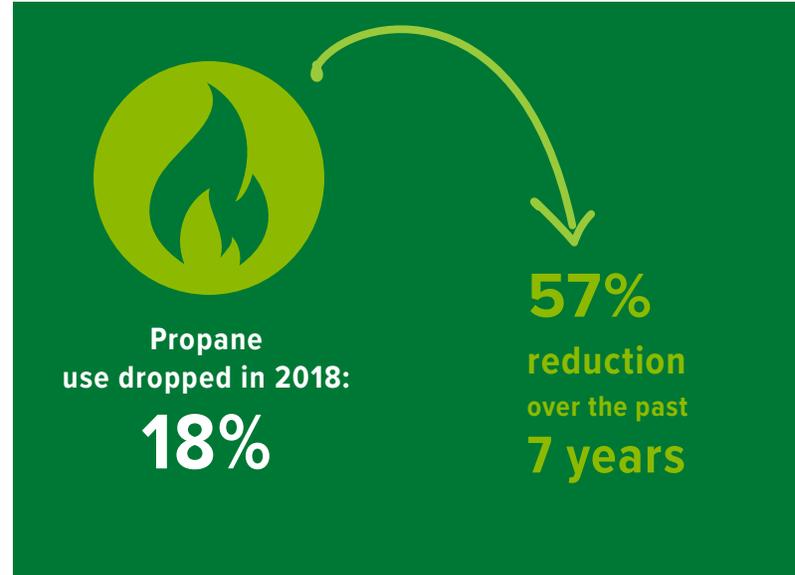
Climate change is both the greatest threat humans have ever faced and the greatest opportunity we've had to make positive change through leadership and innovation. That's why The Food Co-op partnered with other food co-ops in the Climate Collaborative, formed in 2017. Through this program, companies can commit to one or all a set of innovative and practical climate initiatives.

The most common way to measure climate change impact is by tracking greenhouse gas emissions. Typically, there are three "scopes": Scope 1 measures direct emissions (such as propane); Scope 2, indirect emissions (such as electricity); and Scope 3, indirect emissions not covered in Scope 2, such as landfill waste.

Data shows our Scope 1 emissions dropping as we replaced and relocated our tanks, and our Scope 2 slightly increasing by 3.79% as we increased the power we buy from the PUD. Scope 3 is holding steady. The Co-op buys Renewable Energy Credits (RECs) to offset 60% of our electrical usage and more than 100% of our propane usage. In 2019 we increased our RECs to offset 75% of electrical usage.

Our propane usage decreased another 18% in 2018, totaling a 57% reduction over the past seven years.

Some of the decrease is due to replacing outdated HVAC equipment and some may be due to relocating our propane tanks and eliminating a possible leak.



5. WATER USE & QUALITY

The Food Co-op is located on Townsend Bay in the Salish Sea. Our drinking water comes directly from the Olympic Mountains, so we are dependent upon the annual snowfall and, as a result, cannot take fresh water for granted. In fact, research shows that we can expect our water supply to decrease as the planet warms up.

The Co-op continually looks for ways to reduce our water use, although the total amount is at least partially outside our control. The Co-op offers filtered water for a nominal fee (29 cents per gallon), and as a percentage of water usage, filtered water increased from 13% to 15%. Overall, though, water usage in 2018 decreased per square foot from 50.08 to 45.90 gallons even though we made no significant changes in operations.

We do expect to see water usage increase post-expansion, since we both increased our square footage and expect sales to grow, especially bulk water. Additionally, we anticipate a sales increase in the meat department, a heavy water user, now that we can offer more local meats and fish.

store wide
WATER USAGE
decreased
per square foot

from **50.08**



to **45.90** gallons

filtered
WATER USAGE
as % of total water usage



to **15%**
↑
from **13%**

6. WASTE REDUCTION

Our green team—SURF—has conducted many waste audits over the past three years, and we know that our staff does a great job of redirecting our waste away from the landfill. For instance, the produce team collects all their leftover produce and gives it to local farmers, who in turn make it into compost for their farms, growing produce for resale to the Co-op.

We recycle in a wide variety of ways, from collecting used plastic bags to be turned into Trex to collecting (and cleaning) jars for re-use for our extensive selection of bulk items throughout the store. This year 35% of our waste went to the landfill, 55% was recycled, and 10% went to compost. While the data shows a 2% reduction in compost in the past year, we think that is due to improved data collection.

Part of our expansion project involved creating a more effective waste diversion stream at the back of our store, one with clearly defined spaces for compost, recycling and reuse as well as trash. We anticipate this upgrade in our facilities will help us divert even more waste from the landfill. How much more we can divert remains to be seen.





SURF Team conducting a waste audit



35% of our waste
went to the landfill
55% was recycled
10% went to compost

TOTAL FULL-SIZE HANDLED PAPER BAGS ORDERED



7. SUPPLIES

Co-op staff are constantly exploring ways we can improve and reduce our purchases of store supplies, such as bags, pens, and paper—from reusing very small pieces of paper for notes to finding ways to recycle our plastic waste (while not a lot of weight, plastic by volume is significant). We stock empty cardboard boxes for customers to reuse. We collect all packaging supplies—Styrofoam peanuts, bubble wrap, etc.—and put them out for customers. The list of ways we reuse, both little and large, is lengthy, and we actively look for more ways we can keep the cycle flowing.

Even before the City of Port Townsend enacted a plastic bag ban, The Food Co-op worked to reduce the use of plastic bags. We never used plastic grocery carry-out bags, plus we already had a program that gave our shoppers a five-cent refund or a bean for every bag or jar they reused. Those beans are collected and converted into cash, which is given to a variety of local nonprofits during the year in an award-winning program called “Beans for Bags.”

It's easy to be green and do good at the Co-op! Simply bring your own shopping bags, cups, and jars, and get a 5-cent credit for every reused container. Donate that credit as a bean and help a local nonprofit do more good in the world! In 2018 we collected 241,425 beans, an increase of 3% over the previous year and the biggest year yet. Wow, that's a lot of reused bags and cups, everyone!

We've tracked our purchase of 100% recycled paper (85% post-consumer), handled grocery totes for seven years, seeing the number increase slightly each year, typically reflecting our growing sales. In 2018, that number dropped 6%, suggesting shoppers are bringing more of their own bags.



241,425

**beans
collected
in 2018!**



8. LABOR

We want to ensure that our Co-op is a great place to work, and to that end, we have collaborated with staff to create a Total Rewards Philosophy, a framework we use to advance our A3 End of being a thriving workplace. We support our staff with competitive wages, steady raises, generous health benefits (100% after the first two years), and a discount on all Co-op purchases. We have loads of training classes plus many opportunities for staff to get even more involved by serving on a variety of workplace committees. In 2018 we added a Flexible Spending Account (FSA) to our benefits package, which allows employees to use pre-tax dollars for qualifying medical expenses. And in 2019 we added a 401(k)-retirement program, increased the amount of life insurance, and added long-term-disability benefits.

of full-time staff **79**
(30+ hours/week)

of part-time staff **22**
(<30 hours/week)

total staff **101**

9. ANIMAL CARE

With the expansion, we plan to increase our offerings of locally and organically raised products, including seafood, poultry, pork, lamb, and beef. Our decision to strengthen this area of the store was based on feedback from both our members and our local farmers.

In 2018 we adopted the an Animal Welfare Policy which sets the foundation for our protein purchases.

THE FOOD CO-OP ANIMAL WELFARE POLICY:

The Food Co-op actively looks for products that are produced or raised in a manner that supports sustainable animal production and a healthy environment. In departments where animal or meat products are sold, The Food Co-op selects products that:

- Are raised or produced under humane methods or conditions
- Are organically fed or locally raised
- Have not been fed antibiotics or hormones
- Have been certified by third-party inspection

We will not knowingly buy products from manufacturers who engage in animal testing or the egg-production process known as forced molting.

We take several factors into consideration when purchasing animal products, including distance, transport time, processes, and supplier certifications.

THE FOOD CO-OP SEAFOOD SUSTAINABILITY POLICY:

We purchase fresh, frozen, and canned seafood that meets the guidelines of the Monterey Bay Aquarium (MBA); Seafood Watch “best choice” or “good” alternative; or is Marine Stewardship Council (MSC) certified. For the species not covered by MBA or MSC—for example some sardines and anchovies—we support small community fisheries.



10. SUSTAINABILITY EDUCATION

Seven years ago we formed our own green team, who call themselves SURF (Sustainable Users Resource Fellowship), and whose task is to help improve our environmental stewardship in our store and our grounds. The team loves to get down and dirty, conducting lots of waste audits of the Co-op's trash. The work is super important and super funky! But from that work we know our staff does a great job of diverting what waste we can from the landfill. We know that currently 26% of our waste is soiled paper—paper towels and compostable deli containers—and we would love to see a municipal-wide commercial composting program, which we think this would be a great solution to this growing problem for our community, not just the Co-op.

SURF also pays attention to our sustainability in other ways. For instance, staff can reward acts of sustainability by giving staff who are nominated with an Eco Handprint—by their peers—a \$10 Co-op card.

We offer a wide range of cooking and health classes for anyone in the community, although members pay a reduced attendance fee. This year our marketing team added free Zero Waste Living classes for anyone interested in decreasing their impact on the environment, and we'll continue offering classes like this as long as there is interest!





approximately

12,000lbs of good food

donated to the Food Bank

11. COMMUNITY SHARING & GOVERNANCE

We believe in being a good neighbor and in partnering with different organizations to strengthen our impact. Our mission is to nourish our community, and we have committed to sharing our prosperity in a variety of ways. Our giving program includes four areas of focus: improved food access; sustainable agriculture, including land and sea stewardship; healthy kids, families, and pets; and finally, support for the cooperative model.

We give to our community in many ways: food donations, sponsorships (financial and in-kind), round up at the registers, and beans for bags. In fact, in 2018 we gave over \$30,405 back to our community in the form of sponsorships, donations, or fund raising!

Additionally, we raised another \$14,068 in member donations to help improve our school district lunch program. Funds donated were used to outfit the new elementary school's kitchens and to purchase a locally raised steer.

The Food Co-op began issuing member patronage dividends in 2015, a benefit unique to cooperatives, which allows us to distribute profits back to our members based on their patronage. Co-ops distribute some of the dividend to members and retain a percentage to invest in the business—a great way to help your Co-op grow. Since 2015 we have declared a dividend every year and have distributed almost \$420,000 back to our members, who either use it at the check stand, ask for a check, or donate it to GROW, our endowment fund. Any interest earned from GROW is given back to our community in the form of grants. In 2018 (our first year distributing grant funds), we gave \$835 to the Community Wellness Project specifically to upgrade the vegetable gardens at the Chimacum schools.

Thanks for working with us to strengthen our community.

1 SHOP THE CO-OP

When you shop at the Co-op your dollars go further. Called the ripple effect, for every \$1 you spend locally, \$1.60 is generated throughout our community.



2 SPEND THOUGHTFULLY

Help strengthen the local economy by keeping your shopping local. The more you spend in your community the stronger we all are!



3 BE THE CHANGE

Reduce, reuse, recycle!
Buy only what you need, use it all and recycle the rest.



To our owners, board, staff
and partners – thank you
for making it a great year.
We are stronger together!



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