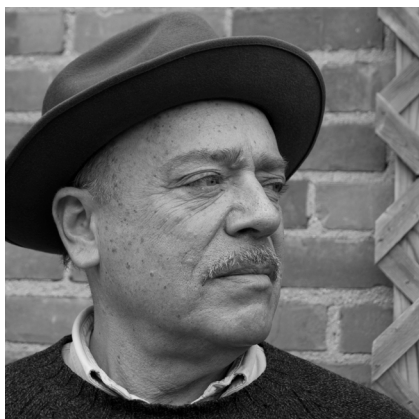


2015 Ken King

LIFE AS ART AWARD



MARK HODESH

Mark Hodesh started the Fleetwood Diner in 1972 where, decades before local became popular, he served farm eggs from Bilbie's farm, potatoes from northern Michigan delivered by a friend's father, and bread from Modern Bakery in Detroit (the best at that time). He sold the diner in 1974 to purchase Hertler Bros.--just across the street from the Fleetwood--from its founding family. At that time, Hertler's was a farm store that hadn't changed much since the Second World War and

still had a stock of buggy whips, horse collars, hames and Delaval Cream Separators, plus DDT, dynamite, barbed wire, and three sizes of leg-hold traps. The store had few remaining customers as commercial farming was on the wane in Washtenaw County and families were moving to subdivisions where they grew lawns, not food. Business boomed for Mark as he introduced organic gardening supplies and restaurant-quality cookware as a new generation showed interest in the quality of food they ate and young families started to find homes in town.

Mark sold Hertler Bros. in 1980 and moved with his wife, Margaret, to Maine where they owned and operated a 20-room summer hotel in the town of Castine. Meanwhile Hertler's, though it had done well for a number of years, began to decline. In 1997, Mark and his family moved back to Ann Arbor to reinvigorate the store. Since then, downtown has prospered and the historic Hertler Bros. business, now named Downtown Home & Garden, has emerged in a restaurant- and entertainment-oriented city center as one of the few surviving hard goods retail stores thanks largely to its fiercely loyal customers.

Mark's wife, Margaret Parker, is an accomplished artist who also created unique advertising for the store. Their daughter Jeanne lives in Brooklyn, New York, where she was the media coordinator for the New York City Green Markets and has now earned an MFA from Hunter College.

Mark retired from his ownership role at Downtown Home & Garden in January. He still works there daily (arriving at 3:30 AM) while coordinating his two other businesses, Bill's Beer Garden and Mark's Carts.

Whose Food? Our Food!

Local food movements and the emerging agricultural landscape.

From incubator farms, CSAs, and food hubs, to community kitchens, food trucks, and restaurant pop-ups, innovations in food distribution, aggregation, and production are transforming the character of our regional food system by putting more power in the hands of growers, producers, chefs, and eaters.

Stefanie T Stauffer, PhD

Stefanie is Farm Program Manager at Tilian Farm Development Center in Ann Arbor Township, a Michigan Food and Farming Systems (MIFFS) incubator project for beginning farmers. In 2013 she received her PhD in Sociology, with a Global Studies emphasis, at the

University of California Santa Barbara.

Her dissertation project "Cultivating Opportunity in the Soil of Crisis" documented urban agriculture efforts and local food movements in Michigan and California, 2008-2013. She has also owned and operated a seasonal, farm-based hot sauce and salsa business Nightshade Army Industries since 2010, and she has extensive experience in sustainable food advocacy at the grassroots level.



Ken King was a pioneer organic farmer, owner of Frog Holler Organic Farm and a dear friend to the People's Food Co-op. He passed away in 2009. In honor of his legacy PFC established the Ken King Life as Art Award to be given each year to someone who has shown fearless and creative dedication and hard work living their ideals in the realms of social justice, politics, spirituality, art or just plain conscious living. Recipients of the award are chosen by a committee of PFC board members and member-owners.

PREVIOUS WINNERS

2009 KEN KING

2010 JEANNINE PALMS

2011 JIM CROWFOOT

2012 CLAIRE & PAUL TINKERHESS

2013 LA'RON WILLIAMS

2014 PAUL BANTLE & ANNE ELDER



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PEOPLESFOOD.COOP



2014 PFC Annual Report



AGENDA

6:30pm	Dinner
7:00pm	Call meeting to order, Welcome & Introductions
7:05pm	President's Report
7:15pm	Treasurer's Report
7:25pm	General Manager Report
7:30pm	Table Discussion & Fun
7:50pm	Presentation of Life As Art Award, In Memory of Ken King
8:00pm	Election Results
8:05pm	Member's Agenda
8:20pm	Speaker Introduction
8:25pm	Speaker: Stefanie T Stauffer, PhD Whose Food? Our Food!
8:55pm	Close

Lesley Perkins GENERAL MANAGER'S REPORT

BEGINNINGS & ENDS

As General Manager my role is to make sure that our co-op has a fine bright future. In order to get our foundation truly solid we have implemented cost controls and efficiencies while keeping forefront in our minds our Seven Principles and Ends Policies. The triple bottom line theory (Peoples Planet Profits) is alive and well here at the Coop but unfortunately there is no universal standard method for calculating two of these! So how do we measure our success? The speed at which we creep into black ink at the bottom of our financial statement is directly related to our expenses of course. The fact that we have increased the number of benefits eligible positions slows this down but in doing so we are offering much better working conditions for staff as part of fulfilling End E5 "Model Workplace".

End E 1. "Health and well being for Members and the community for a cost justified by the results". This end takes priority because if we are successful then the rest should follow. Our buyers are constantly looking at ways to enable customers to have a choice in what they buy based on their own personal needs, while keeping it affordable, yet still giving preference to local, organic and Fair Trade. A tall order indeed since we have a very diverse customer base but, believe me, the buyers of each department consider these aspects when they choose how to fill the shelves. So rest assured if as members we work together with open minds and hearts we will indeed have a fine bright future.

Lesley

Gaia Kile
PRESIDENT'S REPORT

If you have a substance like salt and dissolve as much of it as you can into water that liquid is called saturated. If you heat water you can dissolve more salt into it, and when the water cools down, we call that liquid supersaturated. Perhaps that's a good metaphor for the natural foods market here in Ann Arbor. The natural foods market may still be heating up as new players keep trying to become part of the solution. When the water cools down, all it takes is a little bump or seed crystal and parts of the market will fall out of solution. It's our job to make sure that PFC stays in solution.

In Ann Arbor, People's Food Co-op has always been at the center of the solution to the problems of a corporate dominated food industry. Although the rest of Ann Arbor's natural foods retailers may help bring "organics" to the market, PFC is dedicated to promoting locally-based food sources, and fair trade products all in the context of a democratic process that aims to support community.

Although the board has not specifically spelled out its goals, I would identify three main goals that the board has been working on; improving communication with the General Manager and staff, improving connections to our membership, and developing vision for the Co-op's future.

1) Good communication between the board and general manager is important for the forward momentum of People's Food Co-op. The board is striving to improve communications with Lesly so that we can more clearly understand her plans and intentions, better communicate our expectations for her, and better achieve the outcomes we seek. We also see the importance of improving communication and connection with the PFC staff.

The board has sometimes interpreted the separation of the role of the GM and the role of the board in ways that have hindered board/GM communication. We are now trying to borrow a concept from CDSC, the National Cooperative Consulting group that we work with, and we're learning to have safe conversations over the wall between policy and operations.

This has been an exciting year for the Co-op with lots of growth and a few challenges too. I'm thrilled to see more members getting involved.

I'm confident the next few years we will see our continued growth and expand in fun and interesting ways!

Keegan Rodgers, Board Director

2) Our members are what make us a cooperative. We have a diverse membership with a wide variety of interests and needs. The board is interested in engaging our membership. The Co-op's stated Ends include building cooperative community and providing opportunities for collective action. Successfully engaging our members will strengthen our Co-op.

Members approached the board with a proposal for a boycott of Eden Foods. In a nutshell the board had decided to put the question of a boycott on the ballot for members to vote on. Then at a later point we decided that members should show sufficient interest in this issue through a petitioning process. If we've made mistakes we've tried to learn from them. Democracy is messy but we prefer it to other options.

3) We realize that the board is responsible for developing a vision for the Co-op. This includes long term strategic planning. The process of collective visioning and planning requires time and energy. The board has set an intention to increase the time it devotes to this important work. In order to have the time necessary for creating a powerful strategic plan for the Co-op, board efficiency is important.

The board is engaged in a review of our policies and an attempt to better align the policies with best practices. At the same time we realize that the Ann Arbor Co-op community is a dynamic and creative creature capable of contributing to the leading edge in the world of food co-ops.

In the face of the saturated natural foods market, we need all of our creativity and dedication, we need vision, we need a membership that is engaged and passionate, and we need our General Manager and staff to be optimally effective. By focusing on vision, membership engagement, and our relationship with our General Manager and staff, the board is trying to do its part to get those needs met.

Being on the PFC Board has given me a new appreciation for the role our Co-op plays in our community: how we were the first to introduce organic food, local sourcing and developing a new way of running a business.

As we face ever increasing challenges to our market share, my goal is to get the membership reinvigorated to support the store by shopping and seeking new avenues for volunteers.


Ann Sprunger, Board Director



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TERM EXPIRES 2017



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VICE PRESIDENT
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KEEGAN RODGERS
DIRECTOR
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TERM EXPIRES 2015



ANN SPRUNGER
DIRECTOR
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TERM EXPIRES 2016



LEAH HAGAMEN
DIRECTOR
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TERM EXPIRES 2016



LESLEY PERKINS
GENERAL MANAGER
(734)-212-0012

I'd like to think of our Co-op as a radically inclusive space that has the potential to do so many amazing things in Ann Arbor and beyond! It is more than just a place to purchase groceries and lattes; it is a community space where folks convene, contemplate, and connect. We are learning how to be the best stewards possible and growing in the process.

Vanessa L. Marr, Board Director

Matthew Graff
TREASURER'S REPORT

Greetings! I hope that you are as excited as I am about the coming 2015 growing season. We will have more fresh local alternatives than ever in the store and out front under our sidewalk canopies. The bike rack is back this week and more outdoor fun is sure to follow.

Our 2014 financial results were almost perfectly flat. We neither made nor lost a meaningful amount of money. Member equity is actually \$3,600 higher than last year due to the addition of nearly 570 member shares. We have enjoyed strong shopper loyalty. Our member percentage of sales remains in the NCG "sweet spot" of ~ 60%. Total sales, basket size and shopper counts have also remained stable.

We view this year over year stability as a win. Compared with other Michigan Co-op's, and within the local retail climate, we are doing better than most. We have faced changes in leadership and challenging winter weather two years in a row. We continue to endure increasing competition for the local and natural foods dollar and for the Ann Arbor grocery customer.

Shoppers in our town have plenty of grocery options. If you want to buy certified organic produce, free range eggs and a gallon of rBGH free milk you can fill your cart at Arbor Farms, Argus, Babo, Busch's, Kroger, Lucky's, Meijer, Plum, Produce Station, Sparrow, Trader Joe's and Whole Foods. Did I leave anyone out? Yes I did. We sell those products at our own PFC too. Don't forget that!

Last year I challenged each of you to introduce someone new to the Co-op and to refresh your commitment to community owned business by increasing your PFC spend. To those of you who accomplished those goals; thank you and congratulations! It definitely helped.

Over the past two years we have invested a quarter of a million dollars in new equipment and other assets for the store. That spending included a complete re-roofing of both buildings, a new POS system, signage of the Cooperative Principles posted in the café and grocery store and other smaller items. For 2015 management is researching several significant

store improvement projects and will select at least one for implementation.

Why are we in business together anyway? Of course we like being partnered with our friends. We also share an interest in food justice, sustainable supply chain and many other common goals. When we buy food and other products from ourselves at PFC we keep financial power within our town and make everyone more secure. We exert more control over our economic and social destiny. We believe in our Cooperative values and work hard to model them in our community. We are attempting to mold a positive future. Take a moment and express some appreciation to the staff. They are working for us and making the store possible. The PFC staff make it look easy. In reality, we owe them a debt of thanks.

See you on 4th Avenue!

PFC BALANCE SHEET 2014 V. 2013

	12/31/14	12/31/13
Total Current Assets	921,223	975,702
Equipment/LHI	502,993	467,350
Other Assets	144,680	125,841
Total Assets	1,568,896	1,568,893
Total Liabilities	240,542	244,163
Total Equity	1,328,354	1,324,730
Total Liabilities & Equity	1,568,896	1,568,893

Income statement 2014 v. 2013

	2014	2013
Gross Sales	6,715,603	6,745,178
Discounts	122,417	90,167
Net Sales	6,593,186	6,655,011
Cost of Sales	3,966,884	4,021,351
Gross Profit	39.8% 2,626,302	39.6% 2,633,660
Other Income	25,284	18,796
EXPENSES		
Personnel Expenses	1,737,192	1,751,374
Occupancy	333,181	333,471
Operating Expenses	199,512	264,696
Promotions	226,125	187,556
Depreciation Expense	92,270	75,553
Administrative Expenses	52,892	66,573
Governance	29,973	25,715
Other Expenses	9,064	6,897
TOTAL Expenses	2,680,209	2,711,835
Loss before Taxes & Rebates	(28,623)	
Income Taxes	(8,709)	(20,412)
Net Profit	-0.3% (19,914)	

Percentage of sales to members

	2014	2013
Member Sales	64.7% 4,342,886	62.3% 4,199,904
Non-Member Sales	35.3% 2,372,717	37.7% 2,545,274
Total Sales	100.0% 6,715,603	100.0% 6,745,178

2014 PFC EXPENSE BREAKDOWN

EXPENSE	TOTAL
Cost of Sales	\$ 3,966,884
Personnel Expenses	\$ 1,737,192
Occupancy	\$ 333,181
Operating Expenses	\$ 199,512
Promotions	\$ 226,125
Depreciation Expense	\$ 92,270
Administrative Expenses	\$ 52,892
Governance	\$ 29,973
Other Expenses	\$ 9,064
	\$2,680,209

