



# Annual REPORT 2024



## PRESIDENT'S REPORT

BY SUSAN RANDALL, PFC BOARD PRESIDENT

The Board began 2024 focused upon our Co-op's viability. Over the first six months, data points did not show progress toward a turnaround. In July the Board instituted stepped-up progress monitoring. As the year came to a conclusion, the Board of Directors was confronted with one of the most difficult challenges a volunteer Board must face: change of leadership. Plans for transition were mapped out in December, and in January, General Manager Angie Voiles was dismissed. Respect for Angie's years of service and her professionalism tugged at the Board, but the need to pivot was clear. Interim General Manager Chris Morris was hired and began in January. The General Manager Search Committee—Kate Krauss, Board Liaison; Emily Case and Lee Herman, all volunteers, began the process to find a new general manager.

Like most cooperative businesses around the country, our Co-op utilizes a policy governance model. Through written policy, the Board identifies the ends which the corporation is to achieve, hires a chief executive to operate the organization toward those ends, and sets limitations on executive action to ensure safety while permitting a wide berth of innovation to achieve the ends. During the past year, the Board has met monthly as a "working group of the whole" to review existing policy and revise the policies to meet the moment. The Ends and Executive Limitations segments of policy have been completed; yet to be addressed in the year ahead are the Board Process and Board-Management Relationship policies. More is yet to come.

Further steps to align the Ends with member perspectives were undertaken through a member engagement process reported on by Vice-President Laurin Wolf later in this report.. These results provide member and staff insight and perspective in resetting the Co-op's Ends policy. Again, more is yet to come.

Location/space needs continue to be front and center for PFC. The Board's discernment in this critical area will be assisted by a market study currently underway, supported by grant funds secured in 2024 that cover half the study costs.

Members have consistently asked how they can support the viability of this Co-op. The Board launched a Working Capital Campaign with a goal of \$100,000 to be raised by June 30, 2025. Ways to give include member loans (\$5,000 minimum for 5 year term), cash gifts, and tax deductible gifts via

## MISSION

The People's Food Co-op of Ann Arbor provides our community with accessible, sustainable local foods and household products as an economically just, member-owned business.

our nonprofit sponsor Cooperative Development Services. As this goes to press, \$50,000 has been raised. These funds unlock matching grants, support the development of our next generation of co-op leadership, and make improvements to our produce department possible. Here's a shout out to the generosity of our members! More is yet to come.

Ann Arbor is changing. Downtown is becoming more densely populated. The need for essential, healthy foods and household products with an emphasis on local makers/growers provided in an accessible location will meet this moment. This Co-op is it: here to serve this community.

As a member-owned cooperative, our roots are here, financial rewards stay here, and our investment is here. The People's Food Co-op stands ready, on the shoulders of fifty-threes years of passionate care, to meet the needs of Ann Arbor. Stay tuned and stay engaged!

## CHANGE FOR OUR COMMUNITY



### 2024 Change for Community Donations

<b>January</b> - Habitat for Humanity Huron Valley .....	\$1302.62
<b>February</b> - Washtenaw Alano Club .....	\$1456.84
<b>March</b> - The Corner Health Center .....	\$1600.22
<b>April</b> - Ann Arbor Art Center .....	\$1058.74
<b>May</b> - Ozone House.....	\$1281.12
<b>June</b> - We the People Opportunity Farm.....	\$1118.05
<b>July</b> - Girls on the Run .....	\$799.93
<b>August</b> - GrieveWell .....	\$721.91
<b>September</b> - The Guild of Artisans/The Gutman Gallery.....	\$671.21
<b>October</b> - The Creature Conservancy .....	\$1351.59
<b>November</b> - The Shelter Association .....	\$1478.38
<b>December</b> - House N2 Home .....	\$1448.36

**Total \$14,288.97**

# Our Cooperative Principles

1

**Voluntary and  
open membership**



2

**Democratic  
member control**



3

**Member economic  
participation**



4

**Autonomy and  
independence**



5

**Education, training  
and information**



6

**Cooperation among  
cooperatives**



7

**Concern for  
community**



8

**Diversity, equity  
and inclusion**



## People's Food Co-op BOARD OF DIRECTORS



**SUSAN RANDALL**  
PRESIDENT  
TERM EXPIRES 2025  
[PRESIDENT@PEOPLESFOOD.COOP](mailto:PRESIDENT@PEOPLESFOOD.COOP)



**LAURIN WOLF**  
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TERM EXPIRES 2026  
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**JANE DIXON**  
TREASURER  
TERM EXPIRES 2027  
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**AMANDA MCCRELESS**  
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**KATE KRAUSS**  
DIRECTOR  
TERM EXPIRES 2027  
[KKRAUSS@PEOPLESFOOD.COOP](mailto:KKRAUSS@PEOPLESFOOD.COOP)

**ABOUT:** The Board of Directors are elected by PFC members to represent them in setting policy and ensure the financial well-being of the Co-op.

Member-owners are encouraged to participate in the Co-op's decision-making process and to attend monthly board meetings. Time is set aside for public comments at the start of each meeting. Have a topic you would like the board to consider? The deadline for member requested agenda items is two weeks before the scheduled meeting. Contact [president@peoplesfood.coop](mailto:president@peoplesfood.coop) for more information.

### NEXT BOARD MEETING:

May's meeting will take place on Wednesday, May 21st from 6:30PM to 8PM.

Members  
save an  
**EXTRA** **10%**  
on **coop** deals



## A LOOK AT EARLY 2025

BY LAURIN WOLF, VICE PRESIDENT AND CHAIR OF THE COMMUNITY OUTREACH COMMITTEE

This winter, the board undertook an effort to seek additional member engagement around the future and vision for the co-op. With the tenuous financial situation of the store, it felt like a crucial time to connect with members to learn more about what they love about the co-op already and what they see as opportunities for growth and change. Many engaged with the boards seeking feedback and ideas posted near the checkout area in January and early February, and/or filled out the digital version of the survey. In mid-February, the board hosted two Zoom sessions for attendees to learn more about the current state of the co-op outside of the regular annual meeting calendar, and to share reflections about what they heard. We also hosted an in-person focus group that gathered ideas on topics such as understanding community needs, opportunities for growth, and future vision. Here are some of the key takeaways we gathered from these various avenues:

### REASONS PEOPLE SHOP AT THE PFC:

- The Product Offerings: A compelling mix of local, organic and non-organic options, wide-ranging food and household goods that can't be found elsewhere, and the bulk section are major draws.
- The Model: Shoppers are excited to support a local business that offers its workers fair compensation and benefits. The democratic model is a draw as shoppers are interested in participating in a more economically and socially just food system that focuses on the triple bottom line: People, Planet and Profit.
- The People: The community is a big draw for PFC shoppers. The kind and helpful staff as well as the ability to connect more deeply with a key part of the local food system than the experience offered by a big box store are all reasons people keep coming back to the PFC.
- For some, our downtown location is a huge plus. It's the only downtown grocery store and offers a full service option available on foot or bike to many local shoppers. It is part of a thriving economic area of Ann Arbor.

- For others, our location presents accessibility challenges, primarily around parking, and for some, the size of the store and navigating its unique footprint can be difficult.
- Respondents/participants are interested in lowering their environmental impact and want more options that offer less packaging.
- Respondents/participants see bringing awareness to the co-op- particularly with segments of the population, like students- and its principles as a challenge and growth opportunity.
- Respondents/participants want to see a focus on community and connection with even greater opportunities to get involved, learn together, and contribute to community wellbeing.

The board has felt these various modes of discussion to be deeply enriching and we've sought to integrate the information we've gathered into our own decision making, as well as collaborating with the operations staff to think deeper about how we can be meeting the needs of our co-op community-both present and future. One response has been to highlight a variety of local Southeast Michigan individuals working diligently to create a more just food system as the speaker panel for our annual meeting. As this report continues, we hope you'll find information that inspires you to take action in the ways that your life allows for presently.

### PFC COMMUNITY OUTREACH 2024: TAKING STOCK

Since our last annual meeting, we have shared a board newsletter once each quarter: in June 2024, October 2024, and February 2025. We plan to continue this regular quarterly newsletter cadence of communication.

In terms of board events, we hosted several **Co-op Coffee Convos**, informal opportunities for members and shoppers to share conversation and ideas with board representatives. These took place in the Sculpture Plaza where we set up free samples, giveaways, sidewalk chalking, membership infor-

mation, and more! The board also led volunteer days to keep up and beautify the Sculpture Garden area just outside the co-op, meeting monthly May through October. In December, we were excited to bring back an event model that combined a core offering of the co-op, the bulk section, with an educational component: **Demystifying Bulk** was a way for shoppers to learn how to more effectively shop in this environmentally and wallet-friendly way, and attendees walked away with newfound levels of confidence and comfort in skills like finding the tare weight of their own containers and selecting the best ingredients for their recipes from a variety of choices. We hope to host more opportunities to connect as a community to learn together. If you have an idea for an educational event you'd like to see at the co-op, please email [vicepresident@peoplesfood.coop](mailto:vicepresident@peoplesfood.coop).

### LOOKING AHEAD: OPPORTUNITIES TO ENGAGE

We are excited to share upcoming events for education and coming together as a co-op community. **Blue Spring Farm**, one of our long-time produce providers, will offer a farm tour to interested members of the PFC on Thursday, June 26th, 5-6pm, followed by a volunteering day (date and time to be announced). Please consider signing up for one or both days to learn more about a piece of our local food system, meet other engaged co-op members, and lend a helping hand!

The Sculpture Gardeners, who tend the plants in the Plaza outside the Co-op, will resume their work for the upcoming season in May. Please email [DGannon@peoplesfood.coop](mailto:DGannon@peoplesfood.coop) for more information.

Finally, our Community Outreach Committee meets once a month (generally the first Tuesday of the month from 5-6PM). We always welcome new voices, and while drop-ins are definitely welcome, we appreciate members who can consistently dedicate their time to helping further our work. Interested members can email [vicepresident@peoplesfood.coop](mailto:vicepresident@peoplesfood.coop).







# PEOPLE'S FOOD COOPERATIVE, INC.

## STATEMENTS OF OPERATIONS

Years Ended December 31, 2024 and 2023

	2024		2023	
	Amount	%	Amount	%
<b>SALES REVENUE</b>				
Sales	\$ 4,260,169	102.08	\$ 4,223,000	102.34
Less: Member discounts	(86,714)	(2.08)	(96,472)	(2.34)
Net sales	4,173,455	100.00	4,126,528	100.00
Cost of sales	2,708,180	64.89	2,702,531	65.49
Gross profit	1,465,275	35.11	1,423,997	34.51
<b>OPERATING EXPENSES</b>				
Personnel	1,039,786	24.91	1,132,432	27.44
Occupancy	367,310	8.80	386,386	9.36
Operating expenses	168,650	4.04	192,078	4.65
Administrative expenses	88,498	2.13	90,631	2.21
Promotions	38,898	0.93	34,627	0.84
Depreciation expense	30,657	0.73	37,227	0.90
Governance	26,620	0.64	18,701	0.45
Total operating expenses	1,760,419	42.18	1,892,082	45.85
Net loss from operations	(295,144)	(7.07)	(468,085)	(11.34)
<b>OTHER INCOME (EXPENSE)</b>				
Other income	30,853	0.74	91,497	2.21
Other expense	(21,149)	(0.51)	(23,706)	(0.57)
Total other income	9,704	0.23	67,791	1.64
<b>Net loss before income taxes</b>	(285,440)	(6.84)	(400,294)	(9.70)
Provision for income taxes	-	-	-	-
<b>Net loss</b>	<u>\$ (285,440)</u>	<u>(6.84)</u>	<u>\$ (400,294)</u>	<u>(9.70)</u>



## TREASURER'S REPORT

BY JANE DIXON, PFC BOARD TREASURER

At the close of fiscal year 2024, the People's Food Co-op continued to face financial challenges, but the store remains a vital and values-driven community asset. For the year ending December 31, 2024, the Co-op reported a net loss of \$285,440, continuing a longstanding trend of operating deficits since 2012. Operating expenses, particularly personnel costs that have continued to outpace our gross profits contributed to increasing losses.

Throughout the year, we maintained our focus on financial discipline, with the goal of adjusting our operations to better match the Co-op's scale. We operated as a leaner organization, focusing more on grocery, produce, wellness,

and bulk products. This also included structural changes to the leadership as discussed in the President's report. The Board and management were also able to negotiate favorable lease terms to help control our fixed-costs. Though these changes have not yet returned us to profitability, we are hopeful they have created a foundation for a more sustainable operating model. Looking ahead, our focus remains on restoring financial health while staying grounded in our core values: local sourcing, sustainability, equity, and democratic ownership. The Board and staff are working collaboratively to refine our strategy, expand community partnerships, and improve operational efficiency. This includes the exploration of potentially more efficient spaces through a market study.

We are deeply grateful to our staff, volunteers, and member-owners who continue to support this cooperative through every up and down. Your commitment sustains our work and inspires our future. With your continued engagement, we believe the People's Food Co-op can stabilize financially and thrive once again.



## PEOPLE'S FOOD COOPERATIVE, INC.

### BALANCE SHEET

December 31, 2024 and 2023

#### ASSETS

##### CURRENT ASSETS

Cash	\$ 59,621	\$ 114,766
Restricted cash	-	97,384
Accounts receivable	8,190	6,346
Inventory	266,472	238,718
Prepaid expenses	11,386	13,974

Total current assets 345,669 471,188

Equipment and leasehold improvements, net 117,660 145,769

##### OTHER ASSETS

Operating lease right-of-use asset	412,722	555,817
Finance lease right-of-use asset	8,464	24,652
Equity and deposits in other cooperatives	170,330	161,303
Deferred taxes, net	156,000	156,000
Security deposits	16,569	16,569

**Total assets** \$ 1,227,414 \$ 1,531,298

#### LIABILITIES AND MEMBERS' EQUITY

##### CURRENT LIABILITIES

Accounts payable	\$ 237,277	\$ 139,828
Accrued liabilities	40,909	16,677
Current portion of operating lease liabilities	130,826	141,310
Current portion of finance lease liabilities	9,051	16,639
Current portion of long-term debt	2,053	1,969

Total current liabilities 420,116 316,423

Operating lease liabilities less current portion 300,740 431,566

Finance lease liabilities less current portion - 9,051

Long-term debt less current portion 153,165 162,021

Total long-term liabilities 453,905 602,638

Total liabilities 874,021 919,061

##### MEMBERS' EQUITY

Members' shares	956,748	930,152
Retained deficit	(603,355)	(317,915)

Total members' equity 353,393 612,237

**Total liabilities and members' equity** \$ 1,227,414 \$ 1,531,298

# BENEFITS OF MEMBERSHIP!

You're part of a democratically controlled business.

The money you spend helps build and strengthen your store.

You help build a stronger community and robust local economy when you shop at the Co-op.

Save even more as a member of your local cooperative.



# A NOTE FROM YOUR INTERIM GENERAL MANAGER

By Chris Morris, Interim General Manager

It's been a pleasure supporting PFC through this transition. I strove to help calm the waters, support the team in day-to-day execution, reinforce the countless strengths, and provide perspective and traction toward addressing urgent opportunities.

While PFC is not in the clear yet financially, there's a path forward and reasons for optimism. We have a \$4M brand with deep roots as the first organic and natural foods store in the area. We differ from the herd as the only community-owned grocer in Ann Arbor. We stand apart as the only full-line grocer serving the fast-growing downtown population. We have a vested and engaged membership base. Consumer trends continue to favor shopping local, and increasingly value member-based retail models to leverage additional savings.

We've endured a lot of challenges over the past decade. Sales peaked just over \$6.7M in 2013 then fell to \$5.5M by 2019. They bottomed out just over \$4M in 2022 before a slight bounce back to \$4.2M in 2023/24. We're now operating at sales levels last seen in 2005 when the Ann Arbor and online competitive market was vastly different. As noted in our Treasurer's Report, 2012 was the last year we achieved a profit. That means we didn't break even during 4-years of the strongest sales in the co-ops history and have since been treading water as sales declined.

It's of course easy to play armchair quarterback or reflect on what went wrong in hindsight, not so cut and dry when fighting in the trenches. We can match key declines to new competition, see significant impact from the pandemic, and hear anecdotal assessments of previous decisions made. Alternatively, it means we didn't outshine our competitors and keep relevant in an evolving and growing market. At the very least, it means we didn't adjust our playbook well enough to balance the checkbook when faced with external forces.

Sales are our lifeblood, and steady growth is within reach. Closing foodservice operations was unpopular but necessary in the moment as we bled cash. The pivot allowed expansion of grocery and bulk products, yielding strong growth in these areas. Our bulk department already features one of the best selections in the market, and as we further envision our retail space there's room to build on that.

Center Store comprises a wide swatch including packaged grocery, refrigerated/frozen goods, cheese, bulk, bread, and beer/wine. These categories accounted for over 72% of total store sales last year. Under the leadership of Clay Briegel, his team is driving growth at a very healthy rate of 12.5% year-to-date. This is on top of 10.3% growth in these same departments 2024 versus 2023. This was achieved as

customer count declined following the closure of the kitchen, meaning folks are finding more of what they love in our co-op and building bigger basket sizes each visit.

Produce and Wellness comprise the remainder of store sales. Both drive differentiation from competitors and Produce fuels frequent shopping trips. We'll continue to strengthen and expand ties with local growers, producers, and makers in both departments. We have big plans to revamp our produce department and know you'll enjoy the face lift when completed. To facilitate members who have asked for more ways to support we'll be collecting round-up donations at the register in the month of May for direct investment into this project for our community co-op.

Foodservice production is something we strive to return to strategically, but first we need fiscal stability from steady growth while adhering to a disciplined budget. In the interim, Clay and his team have leaned into local partnerships to provide shoppers with a wide array of healthy grab n' go products. These longtime local vendors include Pilar's Tamales, Gabby's Garden Natural Foods, Earthen Jar Indian Cuisine, Juicy Kitchen, Oasis Mediterranean Cuisine, Motown Freedom Bakery, and Bird Dog Bakery. Over the past month Clay worked to expand our local partnerships, and we now feature selections from Nourish Juicery + Kitchen, Harvest Kitchen, and Planted Greens Detroit.

We have exciting new promotions in the works; one to deepen our relationship with the UofM from which the co-op was rooted, another to add even more value for members. We know some miss the 10% off one transaction per month, but the shift to an additional 10% off bi-weekly Co+Op Deals will save you much more money over the course of a year if you shop with us regularly. With this additional discount you typically won't find those national brands cheaper anywhere.

These changes, along with our ongoing efforts to improve the shopping experience and make membership more rewarding, are rooted in our core values: community, cooperation, and good food for all. Thank you for the continued support. Every shopping trip, every kind word, every new member helps sustain this community-owned grocery store and lights the path forward.

In cooperation,

Chris Morris

# JOIN OUR WORKING CAPITAL CAMPAIGN

Members have asked how they can support the People's Food Co-op more deeply. You can help us move forward with a monetary investment to unlock matching grants, improve our produce section, and support the development of our next generation of co-op leadership. Our goal is \$100,000 by June 30, 2025. To date \$50,000 has been raised.



## Here are several ways you can participate:

Gifts that are tax-deductible can be given to PFC through our fiscal sponsor Cooperative Development Services <https://www.givemn.org/story/9ugzsf/embeds> (see QR Code).

A member loan can be invested for a term of 5 years with a minimum of \$5,000 (email [President@peoplesfood.coop](mailto:President@peoplesfood.coop) for details).

A donation of any amount can be given to the People's Food Co-op (see QR Code).

*Join us in building the foundation for the next fifty years of People's Food Co-op.*



## Memberships Grow

People's Food Co-op grew by 155 new members in 2024 for a total active membership of 2,602!

### In-person Event

## Co-op Cafe

**Stronger Together:  
Balancing Autonomy  
and Collective Power**



Want to connect with other Michigan cooperators in your region and celebrate Detroit People's Food Co-op's 1 year Anniversary? We'd love to see you in Detroit at the upcoming Co-op Cafe on May 3, 2025.

This year, we are digging into Cooperative Principle 4 - Autonomy and Independence.

### Stronger Together: Balancing Autonomy and Collective Power

In the ever-evolving retail food industry, thriving – and surviving – requires a strategic balance between collaborating nationally, co-op to co-op, and preserving local identity. This year's Co-op Cafes will explore how cooperation and alignment among food co-ops contributes to a healthier, more competitive, and sustainable food system—without losing the unique qualities that make each co-op special.

### Together, we will:

- **Consider your co-op's secret sauce:** What gives your co-op its local flavor? What helps you feel like you belong?
- **Explore the tension of evolving while maintaining local character.**
- **Practice navigating differing views:** How can we hold space for tension while also leading cooperatively? How can conflict be generative and transformative?
- **Understand the advantages of scale:** Learn why larger entities find it easier to achieve long-term financial sustainability in an increasingly competitive marketplace.

Through engaging presentations from local leaders and National Co-op Grocers (NCG) and thought-provoking discussions and activities, we'll challenge assumptions, explore difficult trade-offs, and strengthen our ability to cooperate—so that our co-ops remain both locally rooted and financially resilient.

### Details:

Saturday, May 3 from 9:30am - 4:00pm

Detroit Food Commons (above the Detroit People's Food Co-op)

For Co-op staff, board members and member-owners

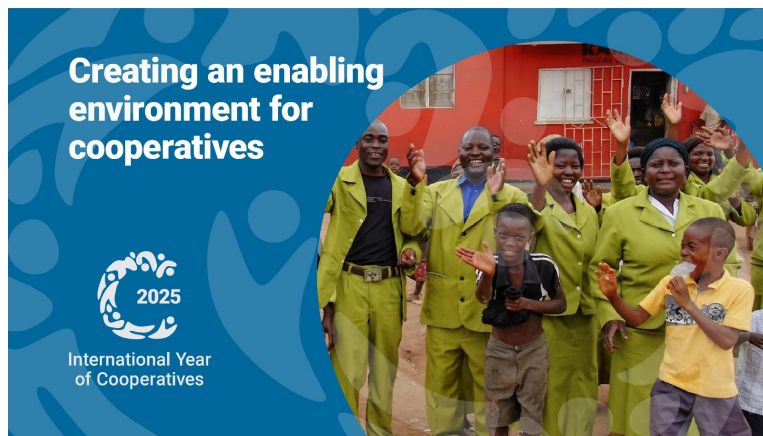
\$50/person (Scholarships available - email Hether Jonna if you'd like one!

Group discounts are also available.)

Feel free to call, text or email me if you have any questions.

phone: 269-598-6857 • [hetherjonna@columinate.coop](mailto:hetherjonna@columinate.coop)





# 2025 has been declared the second UN INTERNATIONAL YEAR OF COOPERATIVES.

The theme of the year is Cooperatives Build a Better World.

The International Year of Cooperatives has four objectives:

<https://2025.coop/>



## Raise Public Awareness

Highlight the contributions of cooperatives to sustainable development.



## Promote Growth and Development

Strengthen the entrepreneurial ecosystem and establishments for cooperatives.



## Advocate for Supportive Frameworks

Encourage the creation of enabling legal and policy environments for cooperatives globally.



## Inspire Leadership

Foster purposeful leadership and engage youth in the cooperative movement.

## A LOOK BACK AT PFC IN 2024

