



Annual Report 2021

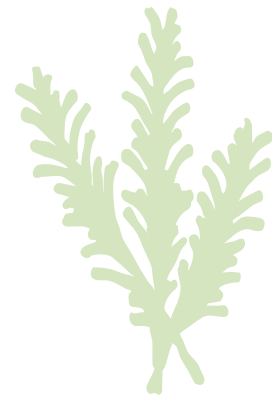


Our Mission

The Portland Food Co-op is a thriving, member-owned marketplace that strengthens the local food economy while building and nourishing community.

Our Vision

We bring local producers and consumers together in a member-owned marketplace to grow a healthier community and a more sustainable food system. We model cooperative values, operate with transparency, and foster trusting relationships with our customers, employees, and suppliers.



Letter from the Board of Directors

Board of Directors '21

Julie Barody
Mary Becker
Lien De Brouckere
Justin Dewalt
Melissa Emerson
Colleen Finnell
Emily Lefebvre
Kerry Vachon
Siobhan Whalen

One consistent feeling which the PFC Board has felt throughout the year is an overwhelming sense of gratitude. The pandemic, along with social, cultural, and political unrest, has provided numerous challenges to our community, our Member-Owners, and our staff. Yet, through people's dedication, perseverance, and cooperation we were able to overcome these challenges and align completely with PFC's end goals and aspirations, bringing buyers and sellers together and strengthening the local food economy while building and nourishing the community.

Under the leadership of PFC's General Manager, John Crane, and with his outstanding team, we were able to reach deeper into the community with increased sales to Member-Owners and non-members, increase our membership, increase our sales of products sourced locally, along with a corresponding increase in purchases from local producers, maintain a healthy level of employment and increase wages and benefits for our remarkable staff, and increase our participation in

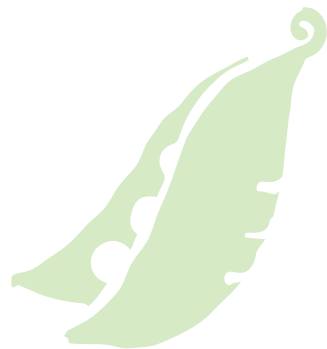
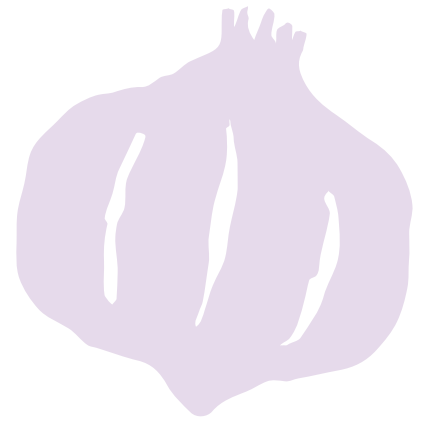
the Farm Fresh rewards program and SNAP utilization, all while continuing to pay down our debt and provide a modest income to reinvest in our Co-op.

Perhaps even more important than the increases in the key performance indicators listed above is how our team continues interacting with the community every day with care and respect, making a difference and helping customers to feel better about shopping at the Co-op, and providing an often-needed bright spot in their day.

We are truly inspired seeing what can be accomplished by working together in the community, have much to be thankful for, and encourage all member owners to reach out to the PFC Board at board@portlandfood.coop at any time to share your thoughts, concerns, or positive stories regarding our Co-op!

Warm Regards,
The Board of Directors
Portland Food Coop

“We are truly inspired seeing what can be accomplished by working together in the community.”



Letter from the General Manager



When asked to compose a summary of 2021, I truly struggled.

So much has transpired since

January 1st of last

year. I had to remind myself that last year we did not have vaccines.

In fact, we still did not know much about this novel coronavirus that we were now calling COVID-19. Schools were closed, restaurants were closed, and travel was severely limited. We were all living under a state of semi-quarantine, staying six feet away from each other, and waiting for answers.

While many were hunkered down at home watching their sourdough starter rise, we had a co-op to run. Operating a food store is not something that can be done remotely.

You cannot call it in. You have to show up and show up we did. Our staff came to work everyday and worked in a public facing environment, an environment all news channels were telling us to avoid. We did our best to compensate and provide the safest environment possible for both our staff and our customers. We scoured the internet and were at the forefront of many safety protocols. We were one of the first businesses in Portland to devote our first shopping hour to the elderly and immunocompromised. We were one of the first to install plexiglass around our registers.

We were one of the first to realize that plexiglass shields required an intercom system so that cashiers and customers could still communicate.

So many innovations followed, one-way aisles, sanitizing carts and baskets, mandatory hand sanitizing,

“We are not just all shoppers at the same store. We are all co-owners of this business and members of this cooperative community.”

enforcing social distancing, and the development of a Curbside pick-up program.

We reached out to every corner of our supply chain to stay stocked with toilet paper, canned beans, and frozen vegetables. All were rare commodities at one point.

Just when we thought we were through the worst of all of this, the “Great Resignation” hit, and we lost a third of our staff in one month. I do not blame any of them for deciding

that they no longer wanted to work in a retail environment during a global pandemic. Nobody signed up for that. I appreciate all that they contributed to get us that far. We also lost most of our management team. At one

point last spring, Front End Manager, Em Seekins, and I were the only two managers left standing. I spent the remainder of the year rebuilding our management team and supporting them as we rebuilt our staff. We never had enough staff to do everything that we wanted. We were fortunate if we had enough staff to keep the doors open and the shelves stocked. It was not until the very end of 2021 that we were back to something resembling reasonable staffing levels.

[> continue reading](#)





Despite all of the trials and tribulations, stresses, hardships, mask wars, and extremely long hours that I endured over the past year, I never doubted that I was exactly where I wanted to be and doing what I loved. The Portland Food Co-op is comprised of so many amazing, kind, caring, thoughtful, and conscientious people, from the Board, to staff, to Member-Owners, to customers off the street.

When I think about 2021 as whole, what really stands out for me are all of the conversations and messages of gratitude and encouragement that we received. Despite all of the opportunities you had to just stay at home and have your food delivered, you remained engaged with your Co-op. This report shows many of the ways that our Co-op did not just survive the pandemic, but actually thrived.

Sales are up. Member-Ownership is up. Net profit is up. If you were to only look at the financial metrics without any backstory, you would think, “we had a pretty good year.”

This is the true co-op difference. We are not just all shoppers at the same store. We are all co-owners of this business and members of this cooperative community. We care for each other, have a vested interest in the success

of this business that we have created together, and will keep supporting it through the toughest of times. For this, I am thankful.

In Cooperation.
John Crane
General Manager



Land Recognition

We recognize that the Portland Food Co-op is located in the rightful, traditional territory of the Wabanaki Confederacy — including the Maliseet, Micmac, Passamaquoddy, and Penobscot Tribes. We recognize these lands were seized — and untold numbers of lives displaced or taken through the violent practice of colonial settlement in what is now Portland.

We respect the traditional values of these Tribes and acknowledge their inherent sovereignty in this territory. We support their efforts for land and water protection and restoration, and for cultural healing and recovery. We pay respect to elders both past and present, and we commit to the ongoing work of decolonization in Maine and beyond.

Challenging Inequity in our Society & Food System

A review of 2021 would be incomplete without acknowledging the historical and ongoing racism and inequity both in our society and in our food system. The Portland Food Co-op recognizes that we have much work to do in this realm. We acknowledge that our membership, board, and staff is predominantly white and does not represent the full diversity of our community. We are committed to learning from our community what we can do to be better.

In 2021, the Co-op's Board commissioned a Listening Study to better understand the food needs and desires of marginalized people across our city, and how they viewed our Co-op. This study is not yet complete, but we will share what we have learned and our action plan once it is finalized. This work takes time, intention, and humility and we are committed to bringing all of this to the table.

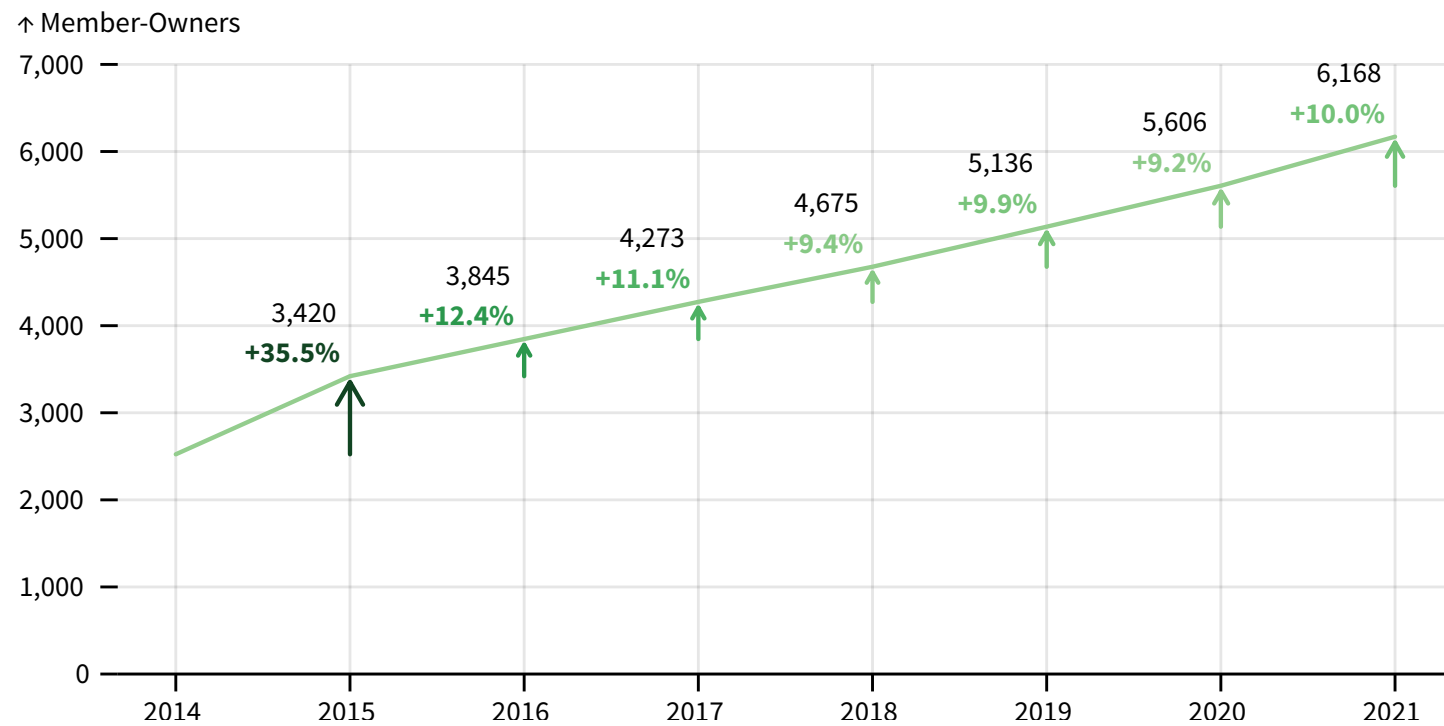


Member-Ownership

“Member-Ownership continues to grow. We ended 2021 with 6,168 Member-Owners.”

In 2021, Member-Owners accounted for 56.14% of all sales, down from 60.4% in 2020 and 57.7% in 2019. We do not view this as a negative thing. We earned a reputation for having Portland’s best pandemic safety practices. People began shopping with us specifically for this reason. We brought community members in from far outside of our previous customer base.

Member-Ownership Continues to Grow

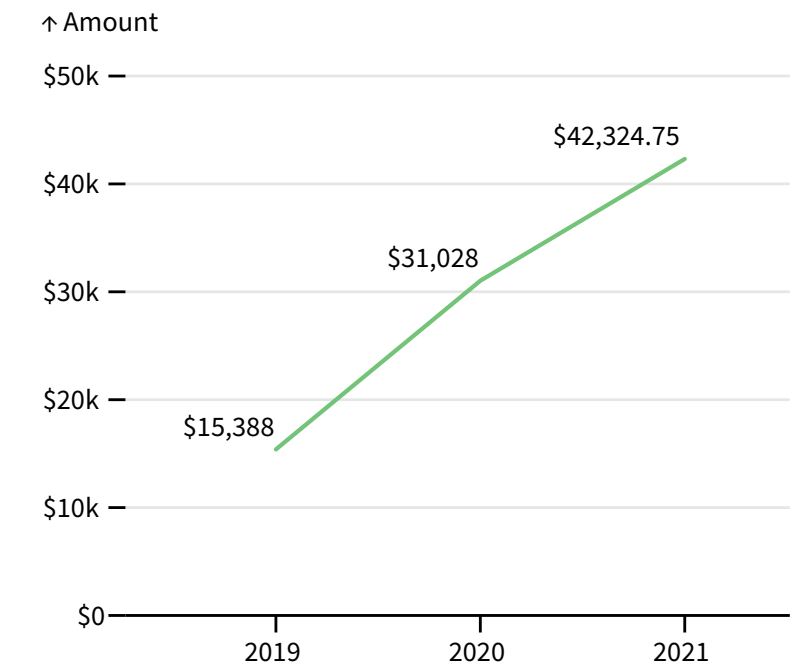


Supporting Our Community

Prior to the pandemic, our Co-op would co-organize or sponsor dozens of community events each year. Part of our mission is to “build and nourish community.” COVID made this extremely difficult.

In 2021, our most impactful community support program was the Register Round-Up. For the past three years we have asked our Member-Owners to nominate and then vote on the next year’s recipients. In 2021, our Register Round Up program raised **\$42,325** for twelve area nonprofits.

Register Round-Up Totals



“In 2021, our Register Round Up program raised \$42,325 for twelve area nonprofits.”

Register Round-Up

Our Member-Owners nominated some wonderful organizations that enrich our community in variety of ways. Here is a list of the organizations we were able to support because you said "yes" when asked to round up.

JANUARY

Wild Seed Project

\$1,790.39

Their mission is to inspire people to take action and join in increasing the presence of native plants grown from wild seed. Their vision is to repopulate landscapes with native plants that safeguard wildlife habitat, support biodiversity, and mitigate the effects of climate change.

MARCH

Immigrant Legal Advocacy Project

\$3,461.97

As Maine's only state-wide immigration legal services organization, ILAP advances justice and equity for immigrants and their families through direct legal services.

MAY

Wayside Food Programs

\$3,611.55

Wayside uses food to reduce waste, fight hunger and strengthen community through volunteer-driven programming and a collaborative, cross-industry network of partners in Southern Maine.

FEBRUARY

A Company of Girls

\$2,802.11

They work with youth who identify as girls to cultivate their self-confidence, build resiliency, and create a community of tolerance and acceptance where uniqueness is celebrated and creativity thrives.

APRIL

Preble Street

\$3,717.66

The mission of Preble Street is to provide accessible barrier-free services to empower people experiencing problems with homelessness, housing, hunger, and poverty, and to advocate for solutions to these problems.

JUNE

Indigo Arts Alliance

\$3,450.65

Their mission is to build global connections by bringing together Black and Brown artists from diverse backgrounds to engage in their creative process with an opportunity to serve as both mentors and mentees.

JULY

Presente! Maine

\$4,131.89

Their mission is to empower the Latinx community, through survival services to combat racism and poverty; transform education to develop leadership in community members; and community organizing to transform systems and power structures that impact the community.

SEPTEMBER

Black P.O.W.E.R.

\$4,055.22

BLACK P.O.W.E.R. is a collective of local Black organizers, activists, and community members which promotes racial justice and social consciousness.

NOVEMBER

Milestone Recovery

\$3,304.64

They provide compassionate care and services to empower individuals experiencing substance use disorders, mental illnesses, and homelessness to attain an enhanced quality of life regardless of ability to pay.

AUGUST

In Her Presence

\$4,158.20

Created by and for women from minority communities in Maine. In Her Presence is reaching out to immigrant women with different cultures and backgrounds. The group hosts English language classes and a variety of educational workshops to provide a platform for Maine immigrant women to better integrate and succeed here in Maine.

OCTOBER

Maine Inside Out

\$3,739.14

Maine Inside Out activates individuals and communities to imagine and embody freedom through art, advocacy, support, and transformative justice. Formerly incarcerated people lead their work to build a world where everyone matters and belongs.

DECEMBER

Maine Needs

\$4,101.33

They strive to help individuals and families in Maine meet their basic, material needs by providing donated clothing, hygiene products, household items, and other necessities. They focus their work on those starting life over from scratch: domestic abuse survivors, asylum seekers, and those facing financial hardships.



Supporting Our Community

At the start of 2019, we began supporting *Amjambo Africa!*, Maine's free newspaper for and about immigrants from Africa, by taking out a monthly ad in their paper. In 2020, we increased our level of financial support by becoming a Bronze Level Partner. We contributed \$4200 annually to their work. We continued this sponsorship into 2021.

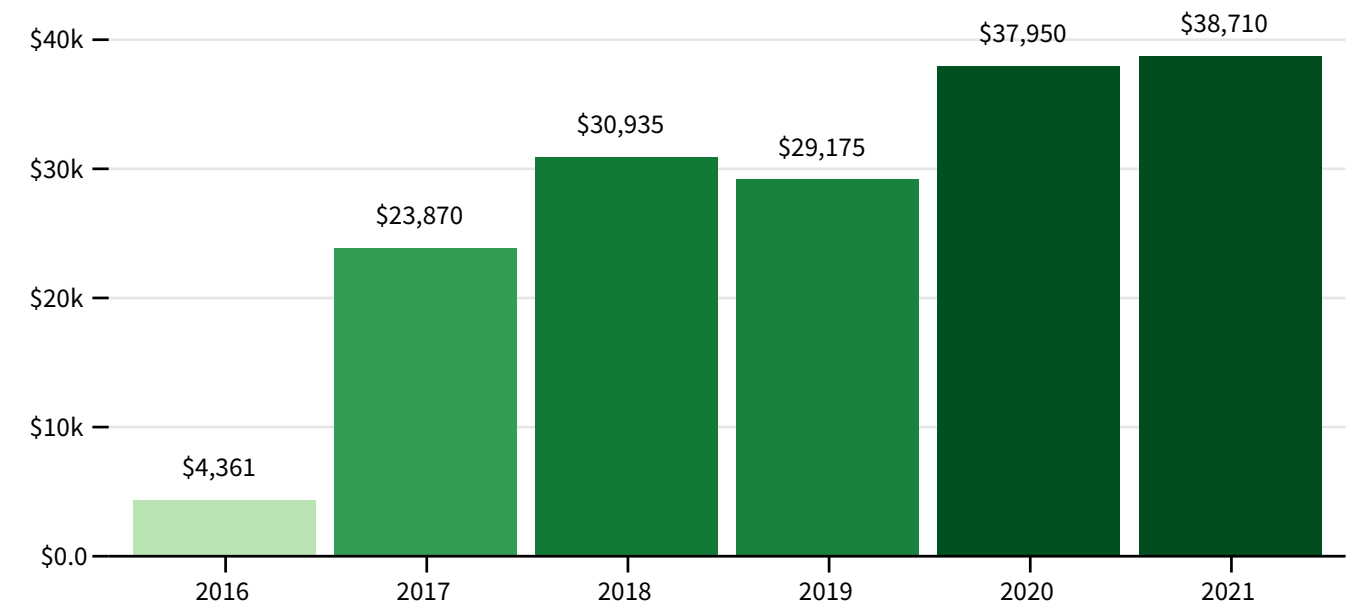
In 2021, we continued our partnership with Fresh Start Farms, a program operated by Cultivating Community. Produce is grown by immigrant farmers who've adapted their agricultural heritages to Maine's climate and marketplace. They set up their farm stand in front of the Co-op each Monday and Wednesday afternoon during the growing season. This has been a mutually beneficial relationship. Folks who come for their farm stand also shop at the Co-op. Co-op customers also shop at their farm stand.

The Co-op is also the CSA pick-up site for New Roots Cooperative Farm, a co-op composed of members of Lewiston's Somali community.

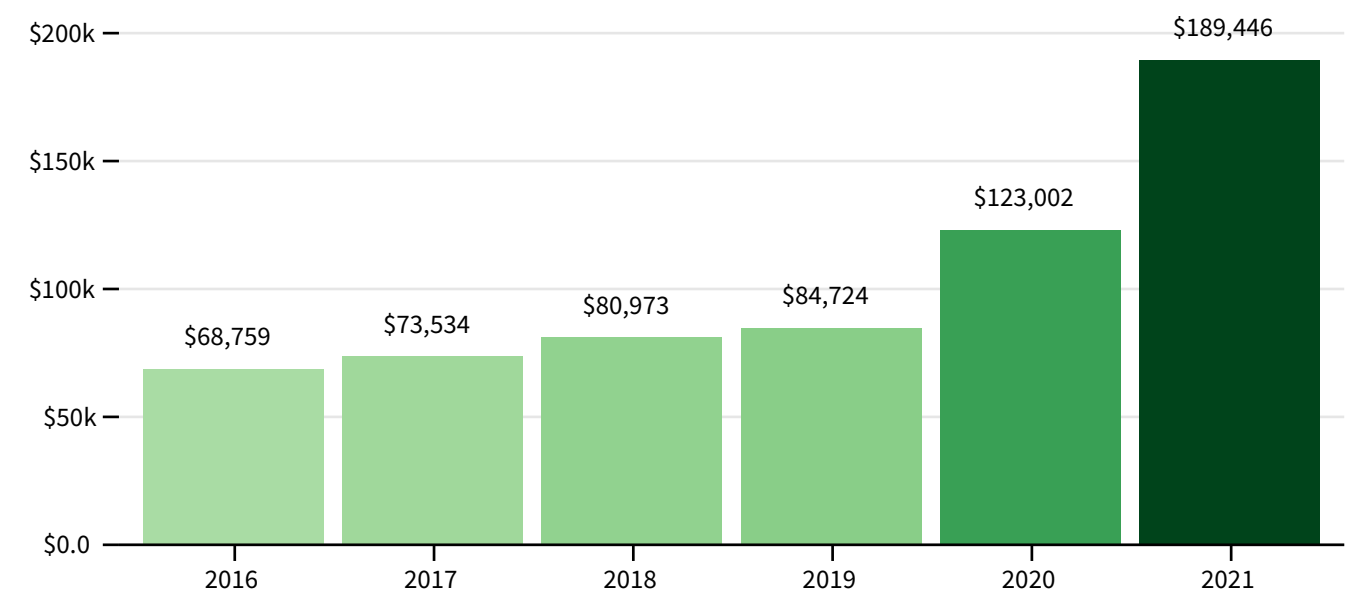
Late in 2021, we developed a relationship with the Greater Portland Immigrant Welcome Center and were asked to partner with them, along with a coalition of other organizations, to address food insecurity in the immigrant community. This work is ongoing but our Co-op contributed \$3,000 as seed money for the effort.

In 2021, we continued our collaboration with Maine Farmland Trust and the Farm Fresh Rewards Program, which makes local foods more accessible to more people in our community. People who have SNAP benefits can receive a \$5 voucher for free local fruits and vegetables for every \$10 they spend on local foods with their SNAP card.

Farm Fresh Rewards Vouchers Redeemed



Annual SNAP Card Usage

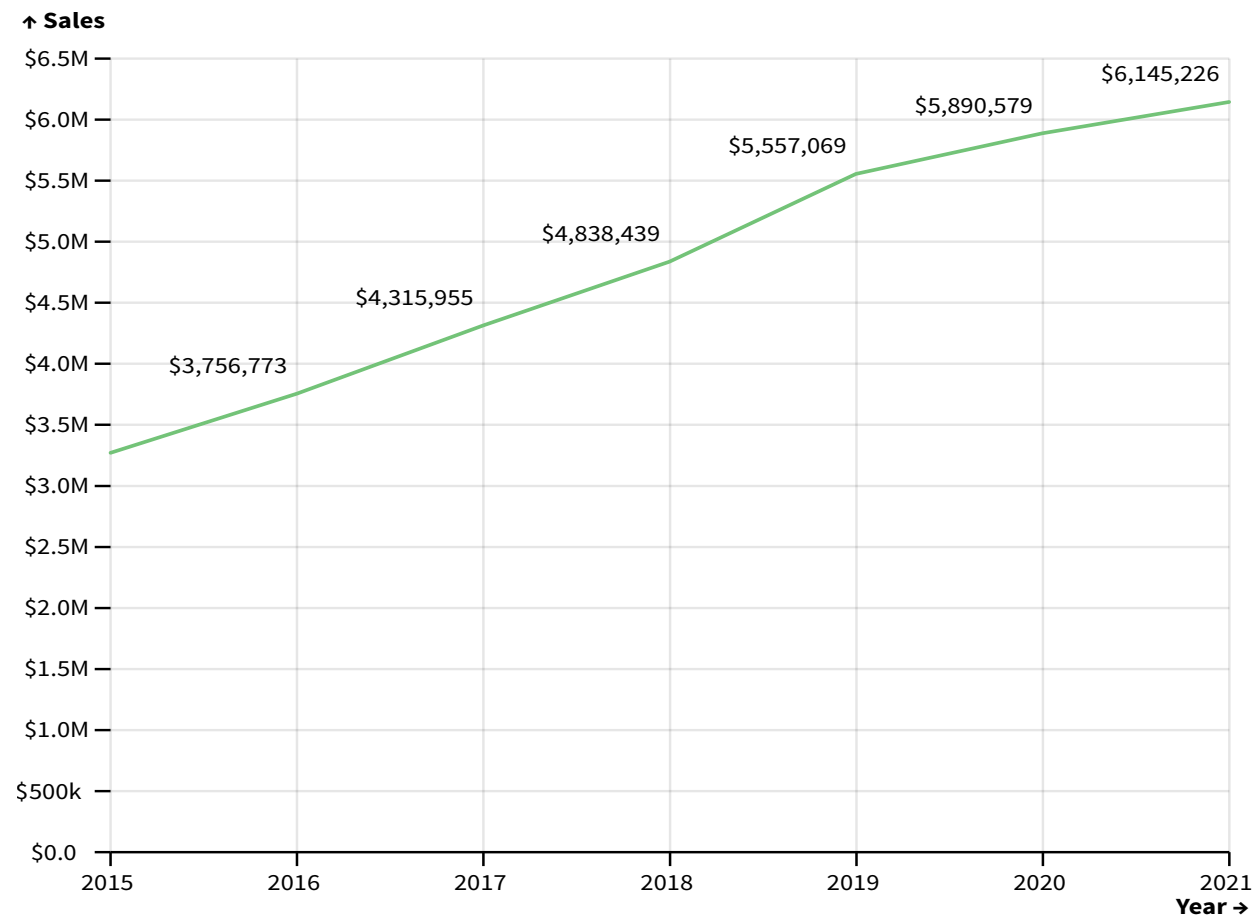


Purchases & Sales

Despite a global pandemic and everything else that was thrown at us in 2021, our total sales continued to grow. This is exceptionally notable because for

most of 2021 we were under state-mandated customer caps. Many of you waited in long lines outside when we were only allowed five to ten customers in the store at a time. At \$6.14 million in sales, we have seen spectacular growth since our first full year of operations in 2015.

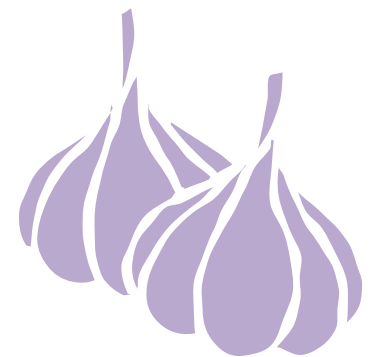
“At \$6.14 million in sales, we have seen spectacular growth since our first full year of operations in 2015.”



Local Sales

Supporting the local food economy is at the heart of our mission. In 2021, sales of local foods and other goods accounted for 36% of all Co-op sales. An important point to note here is that when most businesses, including other food co-ops, report on their local sales, they very often include the sales of their in-house-made items. We, however, do not do this, as this does not feel to be the expectation of the term. Our local sales numbers are only for products that we have purchased from Maine businesses. There are 2121 unique local items in our Co-op. If we included the products made in our Prepared Foods department, our local sales would be 42.53% of all sales and top \$2.6 million.

A better comparison would be local purchases. Unfortunately, not many other businesses publish these numbers. We have these from 2016 onward. This number includes our Prepared Foods department’s local purchasing in creating our in-house offerings. We are so proud of the fact that in 2021 we were able to write \$1.66 million in checks to local farmers and producers. We are a significant economic engine in the local foods economy.

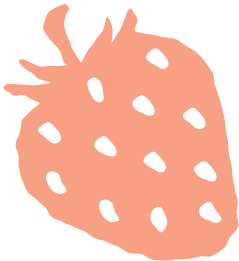


“In 2021, sales of local foods and other goods accounted for 36% of all Co-op sales.”

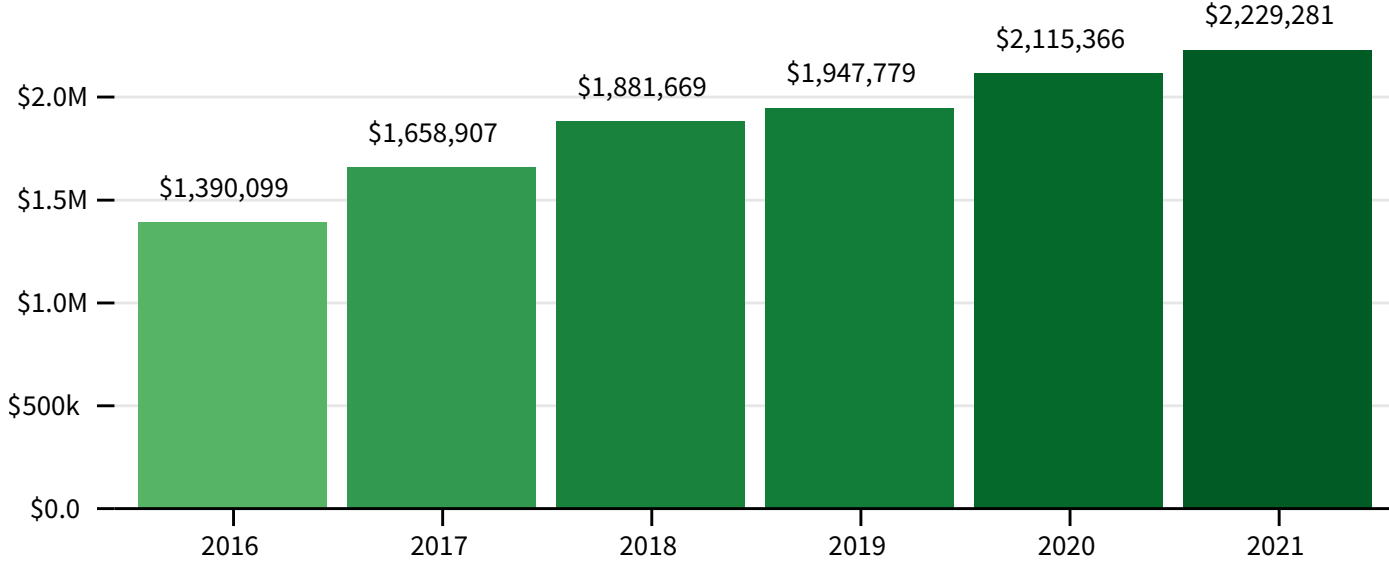
“We were able to write \$1.66 million in checks to local farmers and producers.”



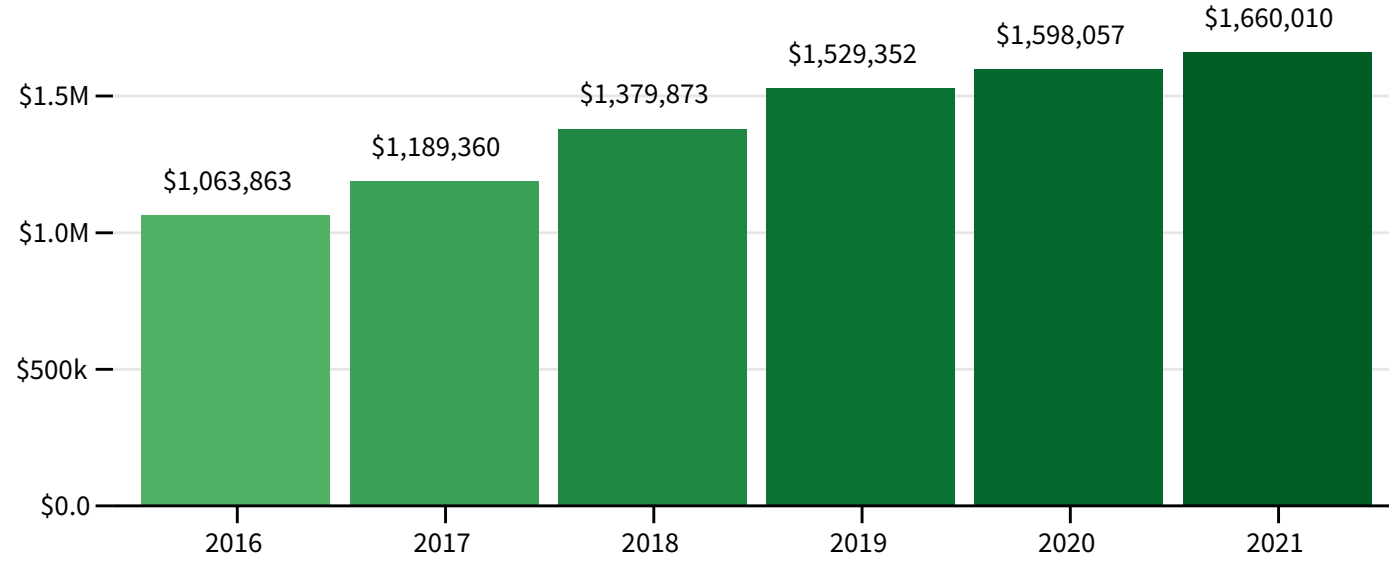
> Nancy Stedman, Little River Flower Farm



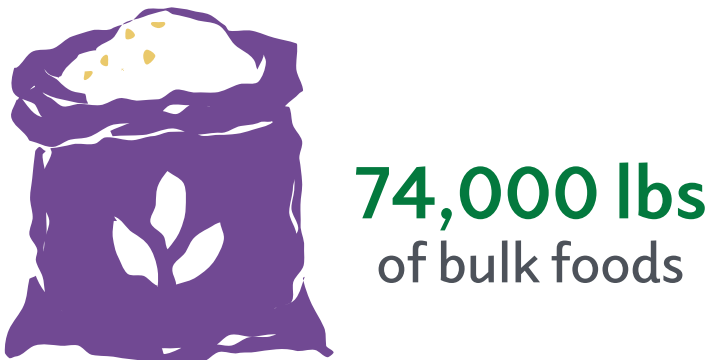
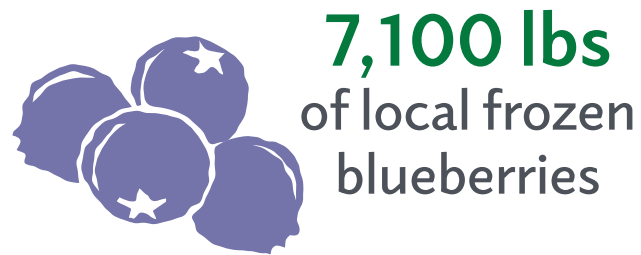
Sales of Local Products



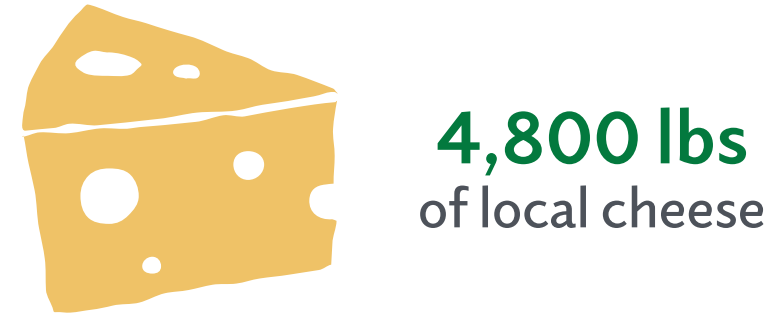
Local Purchases



In 2021, Co-op Member-Owners & Customers Purchased:



Despite all of our love for local food, the number one selling item in all of the Co-op was avocados. **In 2021, we sold \$38,000 worth of avocados.** Profit from the sale of avocados alone paid for nearly three months of our rent.





Sustainability

Unfortunately, COVID forced a setback in our environmental sustainability initiatives. We spent much of 2019 getting single-use plastic out of our operations and trying to convert all remaining plastic to compostable or recyclable. Our program for reusable shopping bags, produce bags, and bulk containers were so successful that we only purchased paper bags every other month. The pandemic forced us to stop using reusable items and revert to single-use temporarily. In 2021, it proved very difficult to regain traction while still being mindful of safe practices and people's sensitivities.

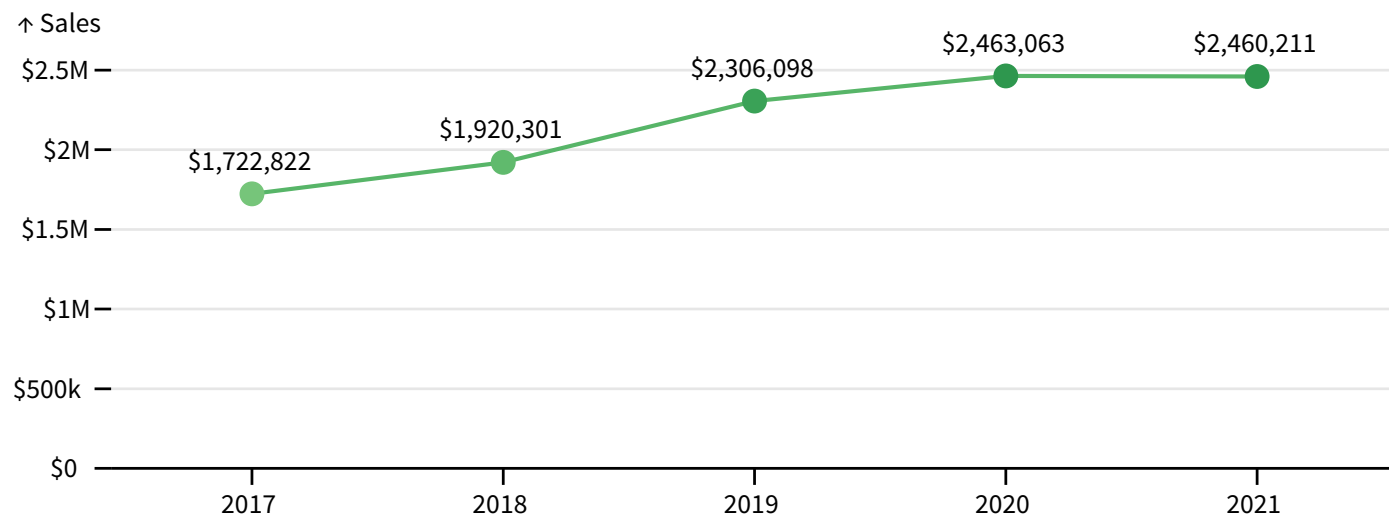
“At least 50% of the cardboard boxes that come into the store leave through the front as customer carryout.”

- Our Prepared Food department is cooking again, allowing us better choices for containers. Paper and compostable plastics are beginning to reemerge.
- While our “lend a bag” program will not be back anytime in the foreseeable future, customers are gaining more comfort with reusable bags. The State’s new bag fee assists this.
- At least 50% of the cardboard boxes that come into the store leave through the front as customer carryout instead of ending up in our recycling bin.
- We are back on track to eliminate standard plastic bags from our operations. Only a few vestiges remain.
- We have progressed from three to six compost bins that get emptied at least twice per week. We still do not have a trash dumpster but instead, work with two trash cans that get emptied twice per week.
- We have many things to be proud of. Environmental sustainability was a key factor in many equipment decisions made during the opening of our Co-op. Except for our produce cases, all refrigerated cases have doors. This was an intentional decision to reduce energy consumption. All overhead lighting is LED. Motion sensors control all backroom and office lighting. These lights shut off after 5 minutes of inactivity. The heat from the compressors for the Co-op’s refrigeration and freezer units is reclaimed to heat our back room and some of our water.

Sustainability

Our Co-op purchases Renewable Energy Certificates (RECs) equal to 100% of our energy usage. These RECs are used to purchase the equivalent of our power usage from renewable sources, 10% of which is dedicated to renewable sources from within the state of Maine. It is not the same as generating our own clean power, but it helps create more demand for power from renewable sources in our electric grid. In the fall of 2020, the Co-op also signed a contract to join a community solar project. This project is still in development.

Sales of Organic Products



Sales of Organic Products

One of our most significant contributions to environmental sustainability is the amount of certified organic products we sell. In 2021, the Co-op carried 2890 certified organic items. This accounts for 40.03% of our sales. Organic sales were \$2.46 million. Of this, 581 of those items were locally grown or produced. Our sales of local certified organic products was \$746,000.

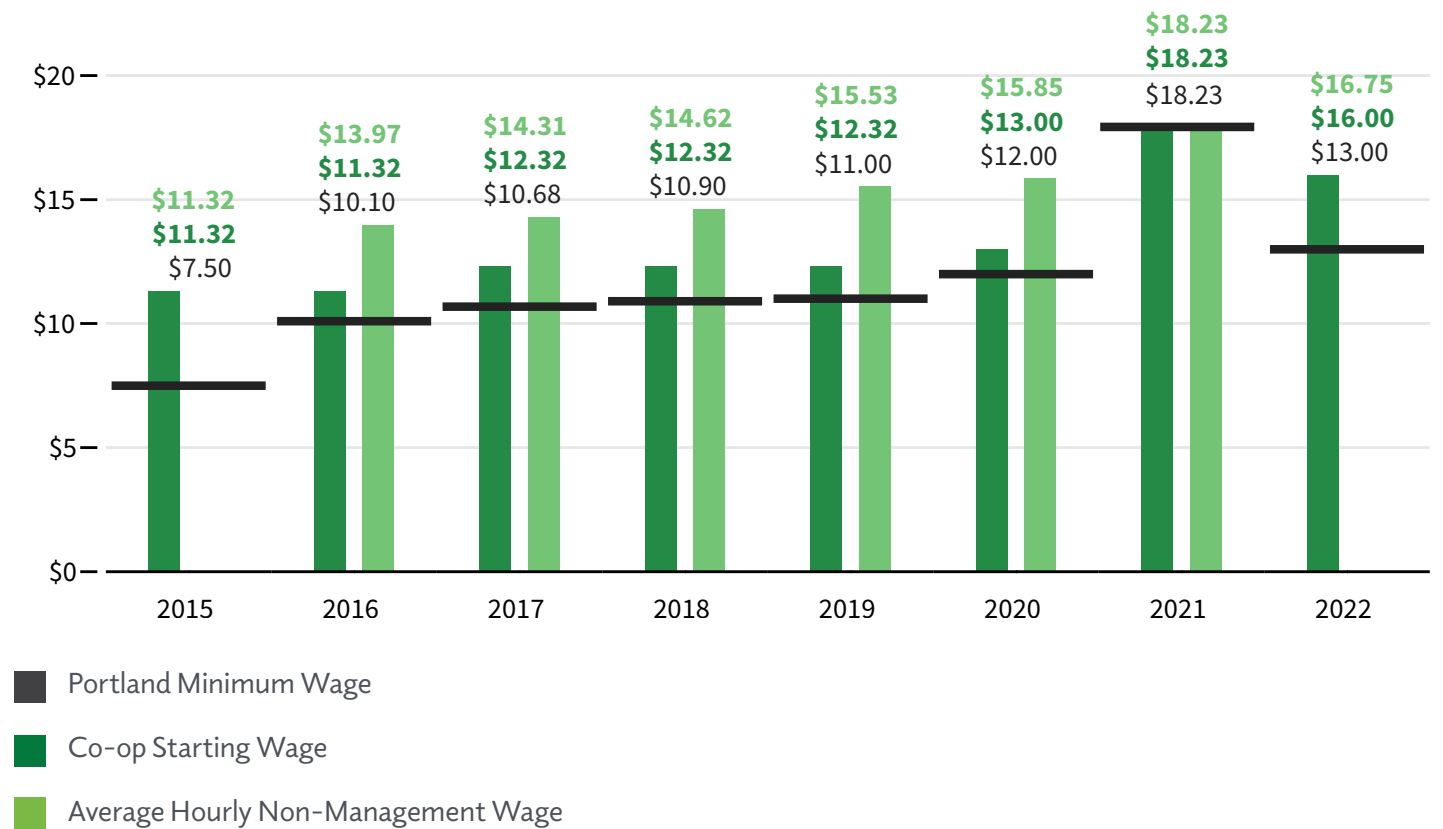
Being a Better Employer

Pay & Benefits

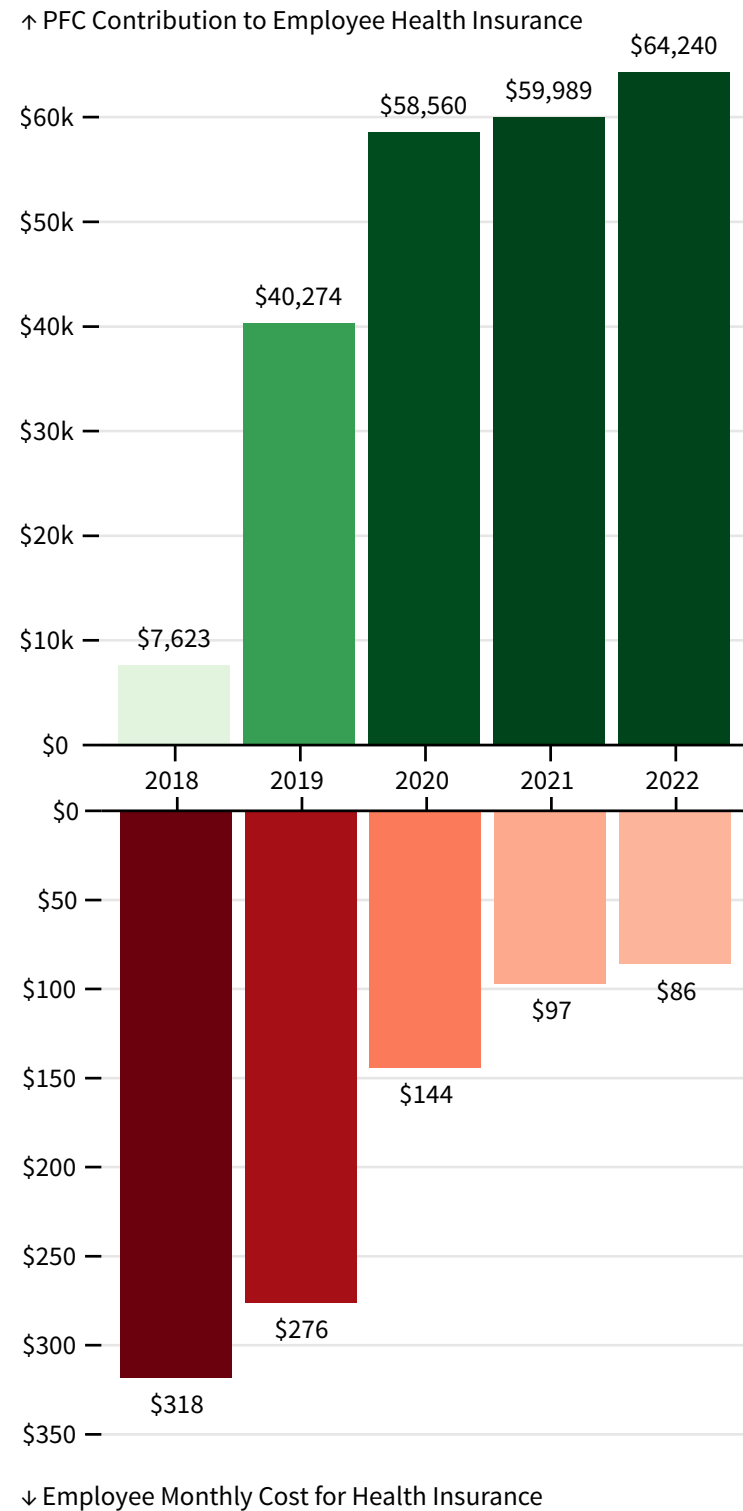
We have always striven to provide the best possible pay and benefits to our staff. Being a small business in a highly competitive market makes this a challenge, but we are absolutely committed to doing our best.

The chart below tracks the growth of our starting wage since 2014. The significant increase in 2021 was due to the increase in Portland's minimum wage to \$18.23 per hour due to the hazard pay ordinance. The Co-op is beginning 2022 with a \$16 per hour starting wage. We continue our commitment to increasing wages to try to match the skyrocketing costs associated with living in Portland.

↑ Wage, hourly



Being a Better Employer



Health Insurance

2018 marked the first time that the Co-op was able to offer health insurance. It was a modest start: we could only pay 20% of the premium for staff who worked more than 30 hours per week. In 2019, we increased our contribution to 40% for staff who worked 30+ hours per week and 70% for staff who worked 35+ hours per week.

In 2020, we increased that to 70% for all staff who worked 30+ hours per week. In 2021, we increased our contribution to 80% and included an assortment of disability and lost income insurance policies. At the end of 2021, we were able to further reduce the employee cost and add subsidized partner, children, and family plans for all of our policies.

HR, EAP, PTO

In terms of staff care, the most significant development in 2021 has been creating the full-time position of Human Resources Manager. We have needed this position for years but could not work it into the budget. During all of the seat changes in early 2021, I decided to alter our organization chart, do away with the Store Manager position, take on that role myself, and create the HR Manager position.

Early in 2021, the Co-op also contracted with an Employee Assistance Program (EAP) to provide short-term counseling and other services to staff.

Through all of 2021, the Co-op offered three weeks of accrued Paid Time Off for all staff in their first two years of employment and then four weeks after that. Starting in January 2022, this increased to three weeks for the first year, four weeks for years two through five, and five weeks thereafter.



Financial Statements

In 2021, the Co-op realized the most substantial net income from sales since our opening. When looking at the following chart, it is essential to note that in 2019 the Co-op had expensed much of the new store depreciation that was available to us. In 2020, we had \$75K less in depreciation expense.

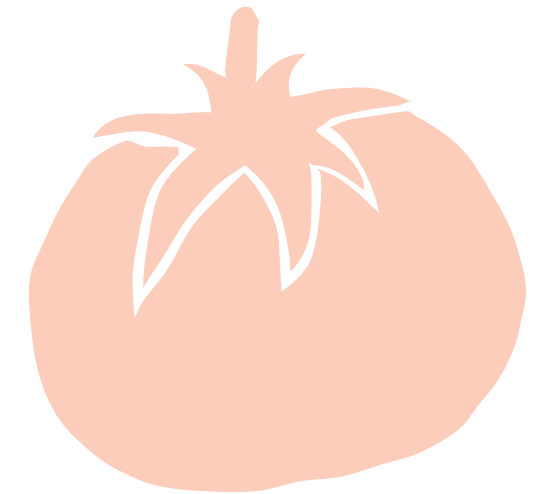
While it may appear that the Co-op is making much more net income, it is important to note that principal on loan repayment is not considered an operational expense so must be repaid out of net income.

In 2014, we borrowed \$1.31 million to fund the build-out of our space and the start-up of our store. We received a \$330,000 loan from the Cooperative Fund of the Northeast. We also received a \$130,000 loan from the City of Portland - Portland Development Corporation. Member-Owners also purchased \$47,900 in preferred shares.

The rest of that \$813,700 that we borrowed came from 260 Member-Owners. This is a vital part of our story that needs to be told. While we were fortunate to have a few Member-Owners who could lend us \$10,000 or more, most of our money came from MOs lending \$1,000 to \$2,000. People withdrew what they could from their savings or retirement plans to help fund our Co-op. We truly are community financed.

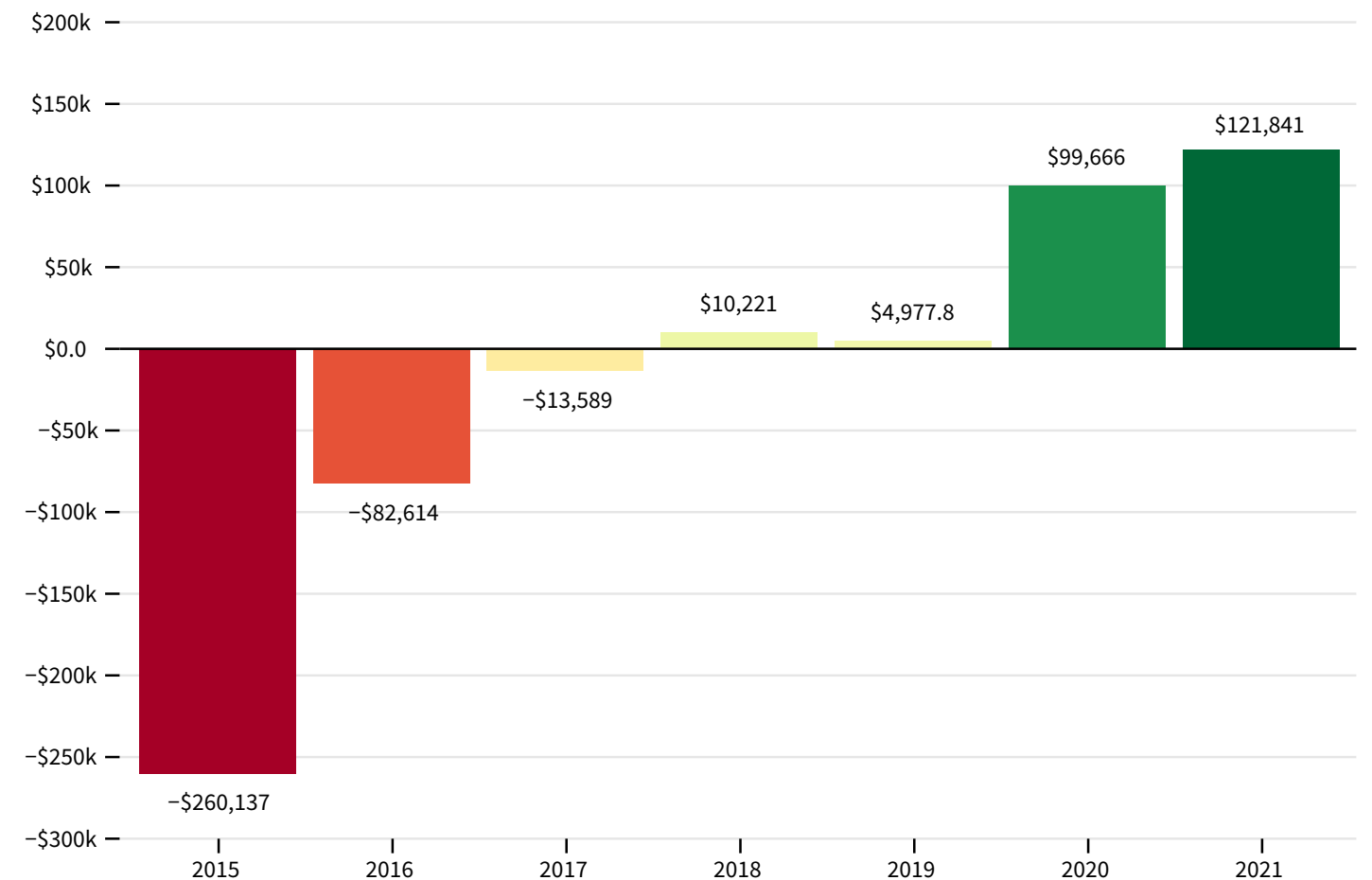
At the close of 2021, we have repaid just over \$658,000 in total loan principal along with the related interest. To put this a different way, we have repaid 50% of the principal of our new store loans in the first seven years of operations.

While the option exists to ask Member-Owners to roll over loans, we have made all of our loan repayments on time. Funds for the 2022 repayment cycle already live in a Member-Owner Loan Repayment Fund. Our goal and expectation is that all loans will be paid on time and as agreed.



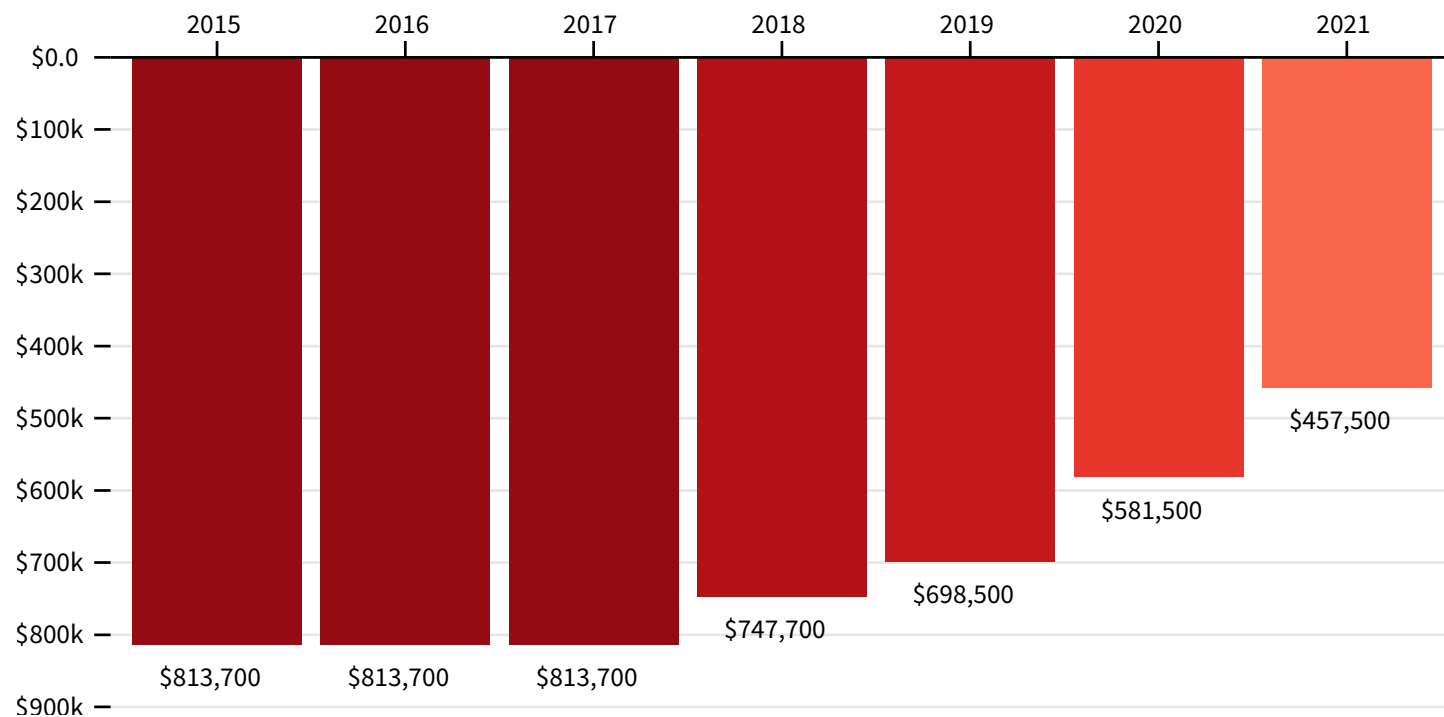
> [View more graphs on next page.](#)

Net Income

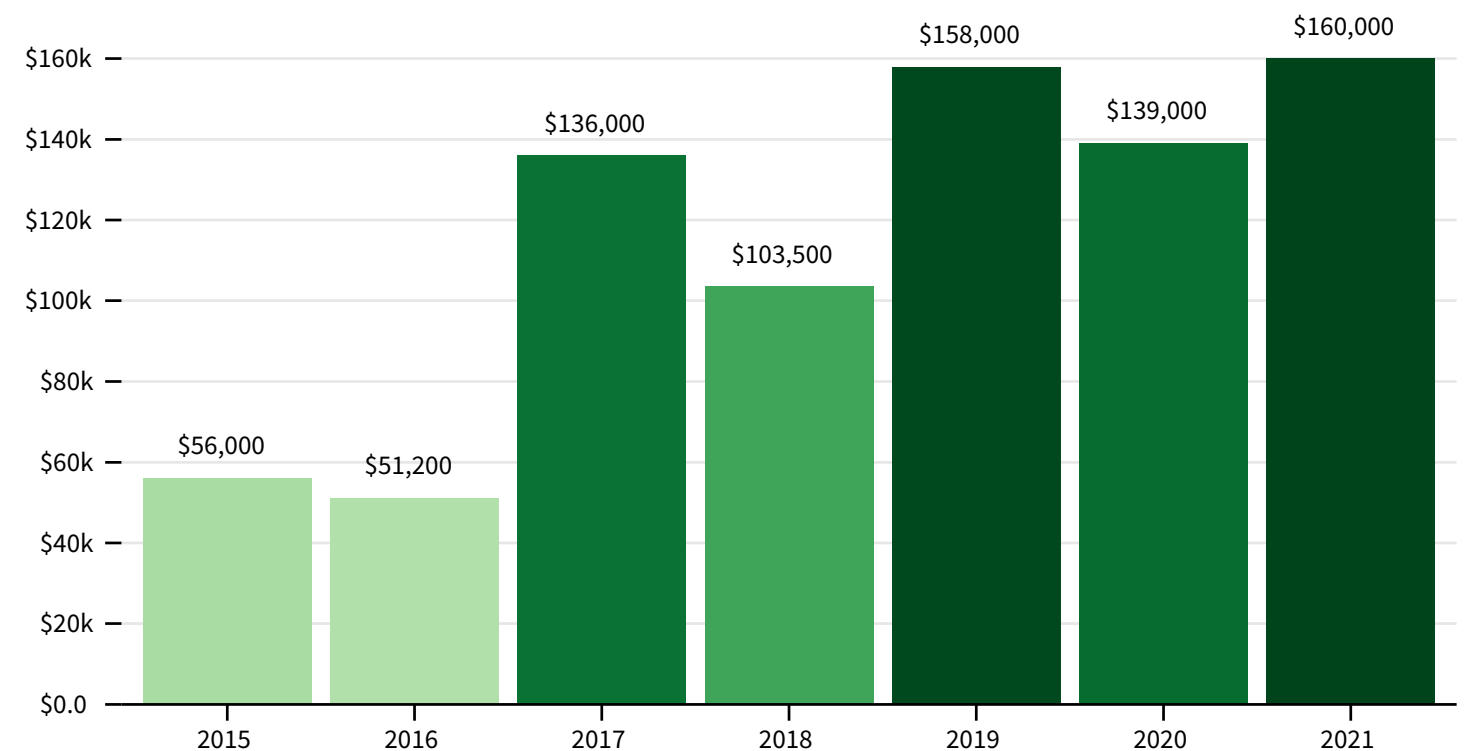




Member-Owner Loan Debt



Member-Owner Loan Principal Repayment by Year



Financial Statements 2021

Profit & Loss 2021

Ordinary Income/Expense	Jan-Dec 2021
Income	\$6,145,226
Cost of Goods Sold	\$4,000,221
Gross Profit	\$2,145,004
Expense	
61000 - Salaries and Related Expenses	\$1,491,500
62000 - Operations Expenses	\$521,637
Total Expense	\$2,009,375
Net Ordinary Income	\$135,867
Other Income/Expense	
Other Income	\$26,595
Other Expense	\$36,621
Net Other Income	-\$10,026
Net Income	\$121,841



Balance Sheet December 31, 2021

Assets	Dec 31, 2021
Current Assets	\$1,003,274
Fixed Assets	\$364,800
Other Assets	\$162,217
Total Assets	\$1,530,291
Liabilities & Equity	
Liabilities	
Current Liabilities	\$503,172
Long Term Liabilities	\$465,553
Total Liabilities	\$968,725
Equity	\$561,566
Total Liabilities & Equity	\$1,530,291

Financial statements have been audited by Wegner CPAs. A full copy of the auditor's report is available at www.portlandfood.coop/financial-audit.



