



ANNUAL REPORT

— fiscal year 2013 —



DULUTH

WHOLE FOODS
CO-OP

MINNESOTA



community

With **1** store and over **\$14** million in annual sales, WFC creates a lot of good in our community.



completely fresh

more support for LOCAL & REGIONAL

WFC committed to The Superior Compact goal of purchasing 20% LOCAL food by 2020 and 50% LOCAL food by 2050.

With more locations, WFC could purchase more food from LOCAL growers and producers.



branching out

discover local



more access to healthy food

Co-op growth = more accessibility
to the Twin Ports community.



more
local

everyone
welcome



branching out

our vision for creating a healthy community

more LOCAL employment

WFC currently provides 110 livable wage jobs.

With more work to do, employ more people with
livable wage jobs and benefits and contribute
more to our community's economy.

local **color**



local **economy**





discover

more education/training/information

2,346 people have attended public classes at WFC-U. 550 employees have completed 12,650 hours of staff classes (based on an average of 23 hours per employee).

With more capacity, WFC could offer more education, training, and information to more people.



more coopTM difference



more happy people

Each week, over 9,000 people shop here, get their questions answered and leave smiling.

Imagine the ripple effect of thousands more people feeling good about their co-op shopping experience each week and knowing that they are supporting their own health as well as creating a healthy community.



concern for

more co-op owners

From 20 WFC owners in 1970 to over 7,500 active owners in 2013, the cooperative business model is a sustainable, profitable and accessible way of doing business right here in the Twin Ports.

Community-owned, that's the difference.





branching out *our vision for creating a healthy community*

WHOLE FOODS COMMUNITY CO-OP, INC. ANNUAL REPORT For Fiscal Year July 1, 2012 – June 30, 2013



ends policy

As established by the Board of Directors to assist the General Manager in the decision-making process—the following values reflect our vision:

In Duluth there is a thriving consumer-owned cooperative that supports, invests and partners to create a healthy community including, but not limited to, a healthy regional food system.

FOR WHOM?

1 The Community

- a. Local = Twin Ports
- b. **LOCAL** = The 15-county region of Northeastern Minnesota and Northwestern Wisconsin known as The Superior Compact
- c. The **REGIONAL** food system (300-mile radius)
- d. Cooperatives

AT WHAT COST?

- 1 This is a values cost rather than an economic cost/expense of doing business.
- 2 Investing in progress on ENDS cannot take away from pragmatic needs of the Co-op/cannot be to the detriment of efficient operations of the Co-op.
- 3 No negative effect on our core business; for example, would an ENDS expenditure divert suppliers or customers from the Co-op?
- 4 Cooperative principles and Co-op Bylaws require allocation of resources to achieve progress on ENDS be derived from the percentage of profit from non-owner purchases; for example, if 30% of purchases are by non-owners, then up to 30% of net income is eligible for ENDS allocation and/or education and/or capital reserves.

ends progress report

In Fiscal Year/FY 2013 (July 1, 2012 – June 30, 2013), management reported the following progress on ENDS:

- Cash and in-kind contributions to the following ENDS-related non-profits = \$28,045/FY 2013 (\$28,369/FY 2012):
 - Beyond Pesticides
 - CHOICE, Unlimited
 - Community Action Duluth/Seeds of Success Urban Gardening Program
 - Damiano Center
 - Duluth Community Garden Program/Sustainable Foods Curriculum for students at Grant/Nettleton Elementary School
 - East Hillside Community Center
 - Food Cooperative Initiative/FCI
 - Friends of the Duluth Public Library
 - Good Food Network
 - Grant/Nettleton Community School Collaborative
 - Growing Farms
 - Hillside Business Association/HBA
 - Hillside Connects
 - Institute for a Sustainable Future/ISF/ March 2013 Food Summit
 - Journey Health Cooperative
 - Local Initiative Support Corporation/ LISC
 - Midwest Organic & Sustainable Education Service/MOSES
 - One Roof Community Housing
 - Safe & Walkable Hillside Committee/ Hill Fest 2012
 - Second Harvest Northern Lakes Food Bank
 - Younger Next Year/May 2013 Community Event
- \$3/off a Yellow Cab ride home from WFC with a minimum \$30 purchase = \$198/66 redeemed coupons/FY 2013 (\$153/50 redeemed coupons/FY 2012)
- Payment of wages and salaries to employees = \$2,224,645/110 employees/FY 2013 (\$2,058,966/104 employees/FY 2012)

- Following is a chart of public class attendance in WFC's classroom:

Calendar Year	Owners	Non-Owners	Total
2007	167	65	232
2008	257	75	332
2009	180	74	254
2010	362	113	475
2011	376	82	458
2012	398	75	473
2013 to date	101	21	122
TOTALS	1,841	505	2,346

ends progress report (continued)

- Sales of LOCAL (within The Superior Compact area) and REGIONAL (within a 300-mile radius) products for FY 2013/ first full year of data (note: LOCAL numbers are not included in REGIONAL numbers):

LOCAL	LOCAL	REGIONAL	REGIONAL
\$ of sale	% of sales	\$ of sales	% of sales
\$661,66	4.69%	\$1,541,966	10.92%

- Introduced new logo/signage in support of sales of LOCAL and REGIONAL products:



- Progress on Strategic Plan to acquire, develop, equip, staff and operate a second store that will support additional purchases of LOCAL and REGIONAL products and provide healthy food choices and nutrition education in another area of our community:



• EXPANSION TIMELINE FOR FY 2013

- Reduce indebtedness**
 - Owner loans from 2005 relocation paid off by October 2012 **DONE**
 - Class C equity drive to reduce external debt and increase equity **N/A**
- Maintain profitability** **DONE**
- Maximize 610 sales growth potential** **DONE**

• Strategic conversations with Board about management's draft strategic plan/vision

- Possible Owner vote on bylaw changes for equity structure (September 2012) **DONE**
- Joint Board/MT strategic planning meeting in August 2012 **DONE**
- Continuous communication with stakeholders on expansion plan/ relate to ENDS **IN PROCESS**
- Board work on policy and equity planning responsibilities for expansion **IN PROCESS**
- Budget for site study in FY 2014** **DONE**
 - Conduct Shopper Satisfaction Survey June 2013 with option for expansion input **IN PROCESS**
- Introduce first phase of new management structure and staff development proposal for staff comment in late spring 2013** **DONE**
 - Patronage rebate recommendation at 20% subject to review of tax impact **IN PROCESS**



branching out

board report

by Chris Edwardson, WFC Board President

This is my third report as Board President, and I get to write once again that, through your support, your Co-op had a terrific year financially. Sales topped \$14,000,000 despite a long period of time with limited parking due to the June flood. Thank you for your support during that difficult time. And it is worth repeating for a third year, when you put together the cooperative business model with great management and employees, Owners have a place to feel good about shopping and spending our food dollars. Dollars that, for the most part, stay in our community.

This is a great time to be on the Board. When business is thriving and problems are few, we have the opportunity to engage in study that allows us to be the best we can be for you. Our future looks bright and we are prepared for the challenges we are sure to face as we contemplate our second store. We will be using all we have learned from a variety of Board trainings to ask tough questions as management recommends a site



WFC Board Members from left to right: Jennifer Cummings, Chris Edwardson, David Helf, Heather Murphy, Mickey Pearson, Jean Sramek and John Westlund

and develops a business plan with sales and cash flow projections. We take our fiduciary responsibility to our Owners very seriously.

A few highlights of this past year include: exceeding our goal for ownership and sales growth and ensuring in some leadership training for all Board members, including sending four Board members to the Annual Conference of the Consumer Cooperative Management Association/CCMA in Austin, TX. The Board's three-year rolling plan is progressing and in sync with management's strategic plan.

We expect to again announce a patronage rebate at our Annual Owners Meeting in October. That meeting will be held at the DECC on October 26, 2013, and we hope that turn-out is even better than last year. The headlines that you created last year were great, but we anticipate this year we will have more information to share and more

ways for you to participate in the expansion process.

Once again, I want to thank the WFC staff for all it does to make our shopping experience great. I believe that is why we continue to see growth in ownership. Our well-trained and motivated employees make opening a second store a great opportunity for career growth. I look forward to seeing that.

And I would be remiss in not saying that opening a new store is another way to meet our ENDS. What would be a better way to keep money in the local economy, increase our support for LOCAL and REGIONAL farmers and producers, and create the healthy regional food system we desire than opening a second store? Nothing I can dream of.

And again, thank you to all who make WFC the success it is now and will be in the future.



management report For Fiscal Year (FY) July 1, 2012 – June 30, 2013

by Sharon Murphy, General Manager & WFC Owner

In Duluth there is a thriving consumer-owned cooperative that supports, invests and partners to create a healthy community including, but not limited to, a healthy regional food system.
– Whole Foods Co-op Ends Statement

The response of our Owners and customers to drastically reduced parking following the flood in late June 2012 washed away any doubt that WFC is a unique and appreciated link in our farm to fork food system. The chart below shows we surpassed every annual goal set before the flood though we had only 19 customer parking spaces for four months of Fiscal Year 2013. I could not be any prouder of the contributions of each and every employee to this success, but we would not have succeeded if our community wasn't willing to do the crater dance, also known as the orange cone shuffle, to get at our products.

FY 2013	GOALS	ACHIEVED
New Owners	800	834
Net New Equity	\$60,000	\$68,278
Sales Growth	8.40%	11.07%
Profitability (before taxes/rebate)	5.96%	7.44%

Barring any more natural disasters, we are one year closer to opening a second location in another neighborhood. And, with data from the site and market studies and our experience at this location, I have answers for the questions posed in our Strategic Plan:

Can this community support more than one food co-op?

Before we opened at 610 in November 2005, there were not enough natural or organic foods offered in any other area stores to conduct a price comparison. Now, every grocery store, some convenience stores and Target and Walmart offer natural and organic foods. And yet our sales and ownership growth at 610 has been consistently strong.

Does this community want more than one food co-op?

There was an overwhelmingly positive response from Owners at the 2012 Annual Meeting when we announced our Strategic Plan to open a second location within three to five years. When the Duluth News Tribune article about the potential for a second WFC location appeared in July, I received email and phone requests to add a store in Hermantown, Proctor, Cloquet, Hibbing, Superior, downtown Duluth, West Duluth/Lincoln Park, Park Point, Woodland and the Miller Mall corridor as well as many cheerful requests to put it “by my house.”

management report (continued)

by Sharon Murphy, General Manager & WFC Owner

According to our site survey, 82% of purchases originate from a trade area that extends 33 miles north to south and 29 miles east and west, and "...[WFC] has pulling power well beyond any store in the study relative to its size." That's great to know, but it is getting crowded at 610 and it seems obvious to me that there is room in our trade area for another WFC.

Who benefits and at what cost if there is more than one food co-op in Duluth?

This is how the cooperative business model works:

- **YOU own WFC** – not some distant corporation that only wants to profit from you.
- **YOU control WFC** – You elect people you know to provide guidance, oversight and leadership on your behalf.
- **YOU benefit** – Co-ops exist to serve their Owners' needs. Let us know what you need and recognize that we have to balance your needs with those of thousands of other Owners. The economic benefits of cooperative ownership are returned to Owners, reinvested in the Co-op or used to provide services to Owners.
- Our **COMMUNITY** benefits – WFC keeps capital in this community and in the cooperative community.

From the Food Co-op Impact Study conducted by the National Cooperative Grocers Association in 2012 (www.strongertogether.coop/food-co-op-impact-study/):

- For every \$1 spent in a food co-op. \$0.38 is reinvested in the local economy compared to \$0.24 by conventional grocers.
- While conventional grocers work with an average of 65 local farmers and food producers, food co-ops work with an average of 157.
- Co-op employees earn an average of \$1/hour more than conventional grocery workers when bonuses are taken into account.

Being community owned is the part of who we are that cannot be co-opted as competitors have done with natural, organic, green, free-range and even LOCAL.

With ownership comes responsibility. I hope you will join us at the Annual Owners Meeting on October 26, 2013, to learn about the Board's decision on a patronage rebate for FY 2013, to participate in the decision on the non-profit recipient for the unclaimed balance of 2013 abandoned equity, and to hear more about survey results and next steps on the expansion process. As Owners, you need to watch out for this Co-op—support it, promote it and use it. Expect it to be awesome! As long as you take care of it, it will always be yours.





INCOME STATEMENT

FY 2013

FY 2012

SALES	14,122,712	12,742,786
Less cost of goods sold	-8,839,569	-7,923,440
NET SALES	5,283,143	4,819,346
OPERATING EXPENSES	-4,160,204	-3,830,507
GAIN FROM OPERATIONS	1,122,939	988,839
OTHER INCOME/EXPENSE	-72,460	-153,327
NET INCOME	1,050,479	835,512

BALANCE SHEET

FY 2013

FY 2012

<i>Prior to tax/rebate adjustments</i>	<i>6/30/2013</i>	<i>6/30/2012</i>
	<i>362 days open</i>	<i>363 days open</i>

ASSETS

Current Assets	1,432,125	1,041,887
Property/Building/Equipment	4,874,982	4,858,807
Other Assets	171,625	193,383
TOTAL ASSETS	6,478,732	6,094,077

LIABILITIES

Current Liabilities	1,131,712	655,540
Long-Term Liabilities	2,295,726	3,041,645
TOTAL LIABILITIES	3,427,438	3,697,185

EQUITY

Owner Equity	1,963,482	1,602,475
Donations	15,395	15,395
Retained Earnings	1,072,417	779,022
TOTAL EQUITY	3,051,294	2,396,892
TOTAL LIABILITIES & EQUITY	6,478,732	6,094,077



WHOLE FOODS COMMUNITY CO-OP, INC.

minutes of annual owners meeting October 13, 2012

Reviewed by Board on October 22, 2012. For approval by Owners at 2013 Annual Meeting

WFC's 2012 Annual Owners Meeting was held in the Harbor Side Room at the Duluth Entertainment & Convention Center (DECC), 350 Harbor Drive, Duluth, MN 55802. This meeting was attended by 125 Owners and their guests (total 179). A plated dinner was served.

Welcome and Introductions

The Business Meeting began at 6:30 PM. General Manager Sharon Murphy welcomed Owners and guests, previewed the agenda for tonight's meeting and asked attendees to submit suggestions for "headlines" that they would like to read about our Co-op in 5 or 10 or 20 years. Headlines were collected and shared during the meeting and there will be a follow up article in the Garbanzo Gazette.

Sharon introduced Board President Chris Edwardson. Chris also welcomed Owners and their guests and expressed appreciation for all of our Owners (6,923) and thanked General

Manager Sharon Murphy and her staff of 104 outstanding employees for all that has been accomplished and survived in this unique year.

Proof of Notice and Quorum

General Manager Sharon Murphy presented proof of timely mailing of the notice of this meeting and advised 125 Owners were present. The quorum requirement is 100 Owners.

Approval of Meeting Minutes

Owner Roger Cragun moved to waive reading of the Minutes of the 2011 Annual Owners Meeting as submitted in the 2012 Annual Report. Owner Eric Nied seconded that motion. Motion carried.

Owner Wayne Pulford moved to approve the Minutes of the 2011 Annual Owners Meeting as submitted in the 2012 Annual Report. Owner Kristine Bergren seconded that motion. Motion carried.

Board Report by President Chris Edwardson

Chris expressed appreciation to the following Owners for their service on the Board during FY 2012: Alison Champeaux, Chris Edwardson, Mary Dragich, Mark Friederichs, David Helf, Theresa Koenig, Heather Murphy and John Westlund. Sharon delivered parting gifts to retiring Board members: Mary Dragich, Mark Friederichs (in attendance) and Theresa Koenig.

Chris thanked Owners for participating in the 2012 Board election and issues ballot and noted that on-line participation was up by 13.4% and submission of valid paper ballots increased by 11.1%. Chris thanked all the Board candidates: MaryAnn Bernard, Jason Bisted, Jennifer Cummings, Chris Edwardson, Mickey Pearson and Jean Sramek. And he welcomed the following Owners elected to three-year terms effective in October 2012: Jennifer Cummings, Chris Edwardson, Mickey Pearson and Jean Sramek.

Board Report (continued)

A majority of Owners voting in September chose Growing Farms, a Northeast Minnesota farm incubator project, as the recipient of the balance of unclaimed abandoned equity for 2012. Owners also voted approval (284 in favor, 13 opposed) for amendments to WFC's Articles of Incorporation increasing the shares of Class A and Class B stock to allow for up to 35,000 Owners and increasing shares of Class C stock which will allow the Board to develop policies offering Owners the option to invest in increments of \$500/share. There are no additional votes or benefits for Owners who choose to invest in Class C stock. In profitable years, the Board may declare a dividend to be paid on Class C stock.

Board actions in FY 2012 included:

- The Board approved a change in the payment plan for Class B stock (\$80) from two years to one year from the date of purchase of Class A stock. This change will be effective January 1, 2013, and will not impact the payment plan for Owners who join prior to that date.
- The Board approved a change in the Owner Household Policy to require that the Owner (first person named on the Subscription Agreement) reside at the address for that Owner number.

Chris reviewed a summary of WFC's financial performance compared to budget and compared

to the previous year. As a percentage of sales, WFC paid our suppliers more for goods in Fiscal Year/FY 2012 because we did not pass along every price increase. Our sales growth was higher than anticipated and expenses were less than budgeted resulting in a significant operating profit. Then, 11 days before the end of FY 2012, it rained—a lot. WFC had to take an “extraordinary expense” of over \$375,000 for flood repairs but we still achieved an overall profit significant enough to warrant a patronage rebate although in a smaller amount than in FY 2011.

Patronage Rebate

In consideration of our accountant's analysis of FY 2012 financial operations and after absorbing the “extraordinary expense” for flood repairs, the Board approved a patronage rebate for FY 2012 in the amount of \$323,133. This amount represents the percentage of total profit from Owner purchases (70.13%) in FY 2012. WFC is not liable for income tax on the amount of profit declared a patronage rebate.

80% of this patronage rebate will be retained as equity and 20% (\$64,627) will be distributed to Owners prior to December 31, 2012, in proportion to their purchases during FY 2012.

2012 Food Co-op Impact Study

Sharon introduced a video of the results of the Food Co-op Impact Study comparing consumer

owned food co-ops (including WFC) and conventional grocery stores. This study (<http://strongertogether.coop/food-coops/food-co-op-impact-study/>) was commissioned by the National Cooperative Grocers Association/NCGA in honor of 2012 The International Year of Cooperatives.

Management Report by General Manager Sharon Murphy

Sharon introduced members of WFC's Management Team: Colleen Kelly, Dale Maiers, Debbie Manhart, Lisa Anderson, Michael Karsh, Michael Olker and Shannon Szymkowiak. Sharon asked WFC employees, past and present, to stand and be recognized.

Sharon brought us up to date on the impact at WFC of the city-wide flooding on June 19-20, 2012, and the estimated cost and time line for flood recovery repairs. Sharon and the Board expressed appreciation to the Northland Foundation's Flood Recovery Fund for a \$5,000 grant for debris clean-up and emergency fencing. While negotiations for recovery financing are still underway with WFC's flood insurance carrier and with the City of Duluth, WFC has secured a US Small Business Administration Disaster Loan in the amount of \$363,800 to facilitate immediate repairs to the Brewery Creek Culvert 20 feet under WFC's property and to the customer parking lot.

WFC 2013 ANNUAL REPORT

Cooperative Principle #6: Cooperation Among Cooperatives

Sharon noted that in this International Year of Cooperatives WFC unexpectedly became the recipient of an outpouring of cooperative support from:

- Food co-ops around the country who learned about our flood damage and sent cards, emails and gift baskets to WFC staff;
- From one of our local partners in cooperation, Builders Commonwealth, an employee-owned co-op, who arrived at WFC very, very early on June 20 and spent the day removing debris and securing the parking lots and the ever-expanding crater; and
- From our Owners and community whose commitment to WFC and patience with severely limited parking has been tested and proven abundant (e.g. average daily sales and average number of transactions/day continued to increase above expectations in June through September 2012 over the same period in 2011) since the flood.

Strategic Plan for Growth of WFC

Sharon explained that the Board of Directors has accepted the Management Team's Strategic Plan for Growth of WFC to:

- Focus on internal readiness to support an additional location, debt reduction and operational improvements to better serve our Owners, employees and community;
- Educate our Owners, employees and community that being a consumer owned cooperative is the answer to why customers choose to shop at WFC when similar products are available elsewhere at the same or maybe cheaper prices and, recently, with more parking spaces;
- Acknowledge that growth is needed to sustain our business and to achieve progress on our ENDS Policy including, but not limited to, creating a larger market for LOCALLY grown and produced foods and ending up with a healthier community; and
- Be ready for more direct competition.

Management will engage professional services for independent analysis of market capacity and potential sites and will consistently include opportunities for Owner input on site criteria and expectations via surveys, annual meetings, owner forums and posting plans for comment. In the International Year of Cooperatives, WFC is proudly aware of what makes us important to our community:

WHOLE FOODS CO-OP

Community Owned

That's the Difference

Coming Soon

Sharon asked Owners to watch WFC's web site, FaceBook page, their email, etc., for notice of an outdoor event with free food and live music in early November to celebrate the end of six months of parking lot construction, destruction and reconstruction.

Adjourn

At Chris' request, Owner Sue Sojourner moved to adjourn this meeting at 7:30 PM. Owner Wendy Ruhnke seconded this motion. Motion carried.

Following the close of the business meeting, Promotions & Education Manager Shannon Szymkowiak thanked the staff at the DECC for great service and a wonderful meal. Then Shannon distributed door prizes.

Respectfully submitted,

Board Secretary Heather Murphy and General Manager Sharon Murphy

annual owners meeting

Saturday, October 26, 2013 | 5:00 – 7:45 PM

Harborside Room

Duluth Entertainment & Convention Center (DECC)

350 Harbor Drive | Duluth, MN 55802



REGISTRATION

PREPAYMENT IS REQUIRED BY OCTOBER 15 FOR ALL ATTENDEES

\$20 per adult; \$5 per child (12 and under)

Confirmation of prepayment includes a DECC parking pass for free parking at this event. Owners will be reimbursed at meeting registration (one gift card per Owner number)

Registration and payment accepted online at www.wholefoods.coop/annualmeeting, at the Customer Service Counter or by calling (218) 728-0884 press "1" (have credit or debit card ready).

MEETING AGENDA

Social Time | 5:00 PM – 5:30 PM

Dinner | 5:30 PM – 6:30 PM
(dinner served at 5:30 PM)

Business Meeting | 6:30 – 7:45 PM
(child care available)

- Welcome and introductions of staff and Board
- Proof of notice of meeting
- Report on number of Owners present
- Reading or waiver of reading of Minutes of 2012 meeting/approval of 2012 Minutes
- State of the Co-op reports from Management and Board

Breaking Good

Bringing the cooperative business model to another neighborhood

Table Talk

- Comments/questions from Owners
- Remarks for the good and welfare of our cooperative

Door Prize Drawings

(must be present to win)



MENU

Roast New York Strip Sirloin

served with Béarnaise sauce
(sauce served family style on the side),
garden vegetables, and baked potato with
sour cream (sour cream on the side)

– Vegan Option –

Baked Acorn Squash

stuffed with wild rice and vegetables

– Vegetarian option –

Saffron Risotto

Arborio rice simmered in vegetable stock
and finished with cream, saffron
and Parmesan cheese.

Served with garden vegetables.

– Children's Plate–

Pasta with Marinara Sauce (vegetarian)
served with garden vegetables and milk.

All entrées will come with gourmet
green salads, dinner rolls
and chocolate decadence (*gluten-free*)
with fresh berries for dessert.

Local beer and organic and/or
fair trade wine along with soda
will be available at the bar.



good **co+**company



stronger together



more economic participation

On average, a co-op returns \$1,604 to the local economy for every \$1,000 spent there.

branching out

is our vision to create a healthy community, including but not limited to, a healthy regional food system.




the **co+**llaboration **co+**mmunity

more concern for the environment

WFC occupies a LEED certified building with an Energy Star rating and has a Storewide Organic Retailer certification.

With more locations that conserve energy, incorporate recycled, non-toxic materials, use non-toxic cleaning products, employ non-toxic pest-control methods and encourage alternative transportation, WFC could have a broader positive impact on the environment.



cooperative principles

(as defined by the International Co-operative Alliance)

The cooperative principles are guidelines by which cooperatives put their values into practice. They are:

1 Voluntary and Open Membership.

No tests, no prerequisites.

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2 Democratic Member Control.

No matter how much equity an Owner contributes, each Owner has only one vote and therefore, equal say.

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote). Cooperatives at other levels are also organized in a democratic manner.

3 Member Economic Participation.

Shop more, save more!

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least are indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4 Autonomy and Independence.

Community owned, that's the difference.

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by members and maintain the cooperative's autonomy.

5 Education, Training, and Information.

We love to help. Let us!

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of the cooperative. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.

6 Cooperation Among Cooperatives.

"Many hands make light work"

– ***Grandma Irene***

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7 Concern For Community.

Although a co-op needs to be profitable to remain in business, the co-op also exists to serve the community, not solely to make a profit for its shareholders.

Cooperatives work for the sustainable development of their communities through policies approved by their members.

For more information, see <http://www.ica.coop/coop/principles.html>

statement of cooperative identity

The International Co-operative Alliance went through a multiyear process of revising its core statements on the cooperative identity, culminating in the following statements, as ratified by the ICA membership in 1995.

Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of co-op founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

more



difference



610 East 4th Street
Duluth MN 55805

Address Service Requested



branching out

PRSRT STD
U.S. POSTAGE
PAID
DULUTH, MN
PERMIT NO. 492



local **co+**lor

