



# Annual Report 2022







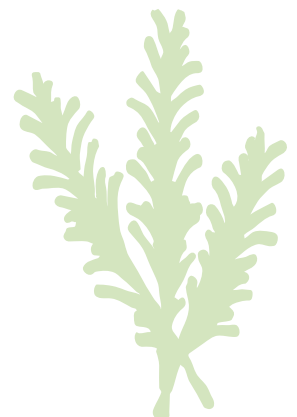


## Our Vision

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

## Our Mission

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.



# Message from the Board of Directors

## Board of Directors '22

**Mary Becker**

(she/her)

**Emily Lefebvre**

(she/her)

**Chloe Minagawa**

(she/her)

**Amy Morse**

(she/her)

**Davinica Nemptzow**

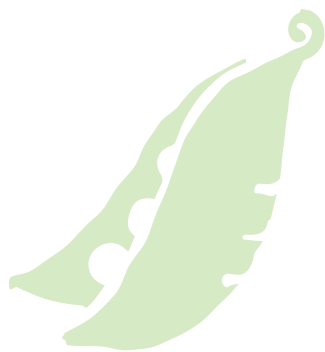
(she/her)

**Heather Pittard**

(she/her)

**Kerry Vachon**

(he/him)



Dear Member-Owners,

Here we are at the end of our eighth(!) year as a store front. So much in our world has changed (or not survived) as a result of the pandemic, but we are here to tell you that your co-op has recovered strong and is thriving. We hope you will read the entire report that follows so you too can see and feel the impact of your investment and participation in the local food economy.

This past year, under the leadership of the 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, provide a modest income to reinvest in our Co-op and even distribute a dividend!



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

The many achievements presented in this report uphold this purpose. They are proof of the incredible hard work and creativity of our general manager, John Crane, and the rest of the Portland Food Co-op staff. Seeing up-close, through monthly monitoring of the Co-op's governance policies, the variety of challenges and opportunities that John and his team address with steady, efficient, effective effort, makes the Board extremely grateful for John's leadership and the staff's commitment.

LOCAL sales (defined as grown or produced in Maine) accounted for 38% of PFC sales for 2022. By comparison, national grocery chain sales average 8% of total sales

from local sources. In fact in 2022 we purchased \$2 million of food and goods from Maine farmers and producers. Thank you, member owners for helping our local food/goods business survive in these challenging times.

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, providing an often-needed bright spot in the day and helping customers feel good. We are truly inspired to see what can be accomplished by working together in the community.

Did you know that it has been eight years since your Co-op first opened its doors? That launch would not possible without many loans from...



[\*> continue reading\*](#)





Member-Owners. Thanks to the careful financial stewardship we are on track and on time to finish those loan repayments by the end of next year. Many of you have already received your repayment. We are all grateful for your generosity and would not be here without it!

It is important for the Board, as your elected representatives, to hear from

you, our fellow Member-Owners. Please email ***board@portlandfood.coop*** to share your opinions about the Co-op or let us know if you might be interested in running for the Board in the future. Whatever level of engagement interests you, we hope that you feel a sense of ownership and belonging in the Portland Food Co-op.

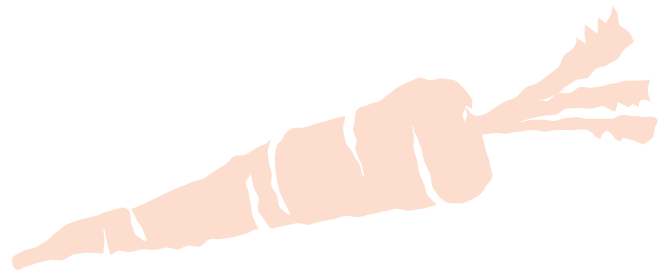




Finally, we especially want to thank outgoing Director, Emily Lefebvre, for her 3 years of inspirational service to the Portland Food Co-op through chairing the Board perpetuation committee. And we, your co-presidents, are also terming off the Board. We appreciate the opportunity to serve and hope that many of you will consider becoming involved in the future.

With gratitude for your ongoing support of the Portland Food Co-op.

Mary Becker & Kerry Vachon  
*PFC Board Co-Presidents*  
she/her & he/him





# Message from the General Manager



If I had to choose only one word to describe my 2022 experience at the Portland

Food Co-op, that word would be “impact.” We made an impact in our local community and in our food system. This should not come as too much of a surprise as impact is implied in our cooperative identity. We are a grocery store with a mission. Our mission is two-fold, to be a benefit to our community and to be an economic engine in the local food economy.

While compiling numbers for this report I was continually amazed by the impact we have collectively been able to provide. Without giving away too many spoilers, in 2022 we topped

\$7 million in total sales, over \$2.7 million in local sales, wrote over \$1 million in checks to Maine farmers, and raised \$50K to support local nonprofits doing important work in our community. This might not seem extraordinary until I give some context. This could be considered a reasonable expectation from a decades old co-op with dozens of employees and operating out of a warehouse full of offices. We are actually thirty five employees operating out of less than 5000 square feet of leased space. Our impact far exceeds our size. It was only eight years ago that we were an all-volunteer buying club operating out of a donated cinder-block building. Our impact not only exceeds our size, but it also exceeds our age.



*Bella Cowing, an employee at Goranson Farm, harvests salad greens.  
Photo by Kelsey Kobik for Goranson Farm.*

None of this would be possible without the tremendous support we continually receive from our Membership and our community. Your dedication fuels our impact. Thank you! Choosing to spend your dollars at the Co-op truly does make a difference. Of all of your shopping choices, we are not the largest and for most not the most convenient. You still make that extra effort to spend your food dollars here. We do not take that dedication for granted and will continually work to be the Co-op that you expect us to be.

In Cooperation.  
John Crane  
General Manager  
he/him







## Land Acknowledgement

The Portland Food Co-op is located in the unceded territory of the Aucocisco Band of the Wabanaki, which also includes the Abenaki, Maliseet, Mi'kmaq, Passamaquoddy, and Penobscot people. European colonizers displaced Wabanaki people by force and went on to displace and harm Indigenous peoples throughout what is now Maine and the United States.

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.

To learn more about how to support the sovereignty of the tribes in Maine, visit [wabanakialliance.org](https://wabanakialliance.org).







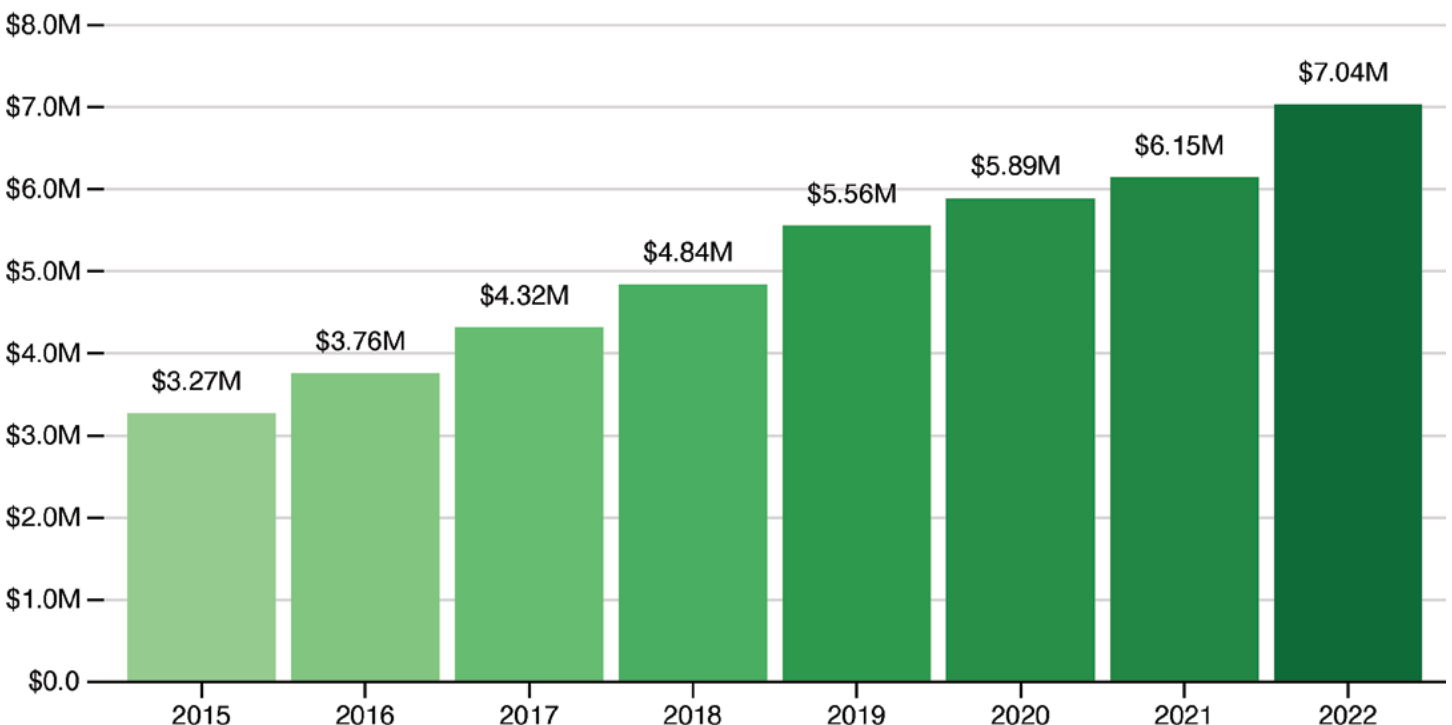


# By The Numbers

When we opened our retail store in late 2014, we were thrilled to realize over \$3 million in sales our first full year. We had no idea what to expect. We knew we had a strong membership base and a welcoming community, but we were opening into a very competitive market. In 2022, we more than doubled those annual sales numbers to reach \$7,035,324. We have grown from a fledgling start-up to a time-tested Portland business. We achieved this despite two years of a global pandemic that affected nearly every aspect of our business, food system, and community. This would not have been possible without a dedicated and supportive membership and community.

*“We have grown from a fledgling start-up to a time-tested Portland business.”*

## Annual Sales



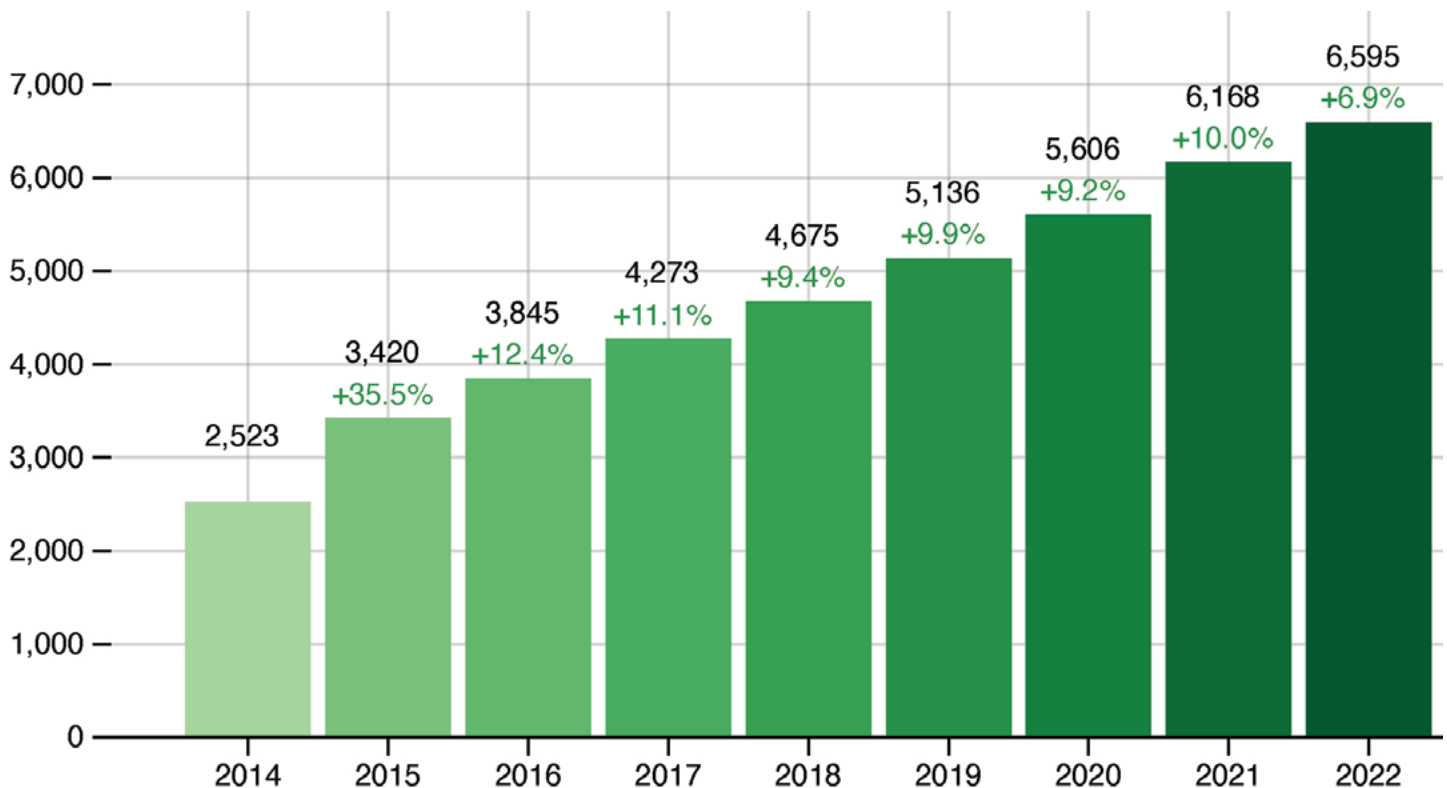


# Member-Ownership

*“Member-Ownership continues to grow. As of December 31st, 2022, we had 6595 Member-Owners, a 7% increase over the previous year.”*

In 2022, Member-Owners accounted for 55.29% of all Co-op sales. While Member-Ownership is not required and everyone is welcome to shop at the Co-op, we love our Member-Owners and would not be successful without their dedication. The equity investments that Member-Owners make allow us to make capital improvements without borrowing money.

## Member-Ownership Continues to Grow



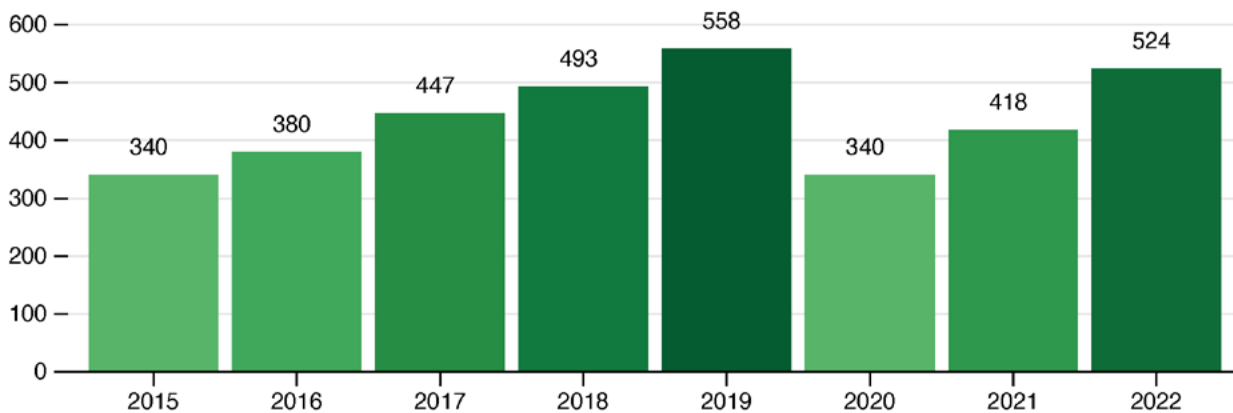
# Customer Count

Many of you likely remember the dark days of the pandemic when the Co-op was limited to five customers at a time in the store. We had lines around the building and many waited up to an hour before being able to come in and shop. Now that the plexiglass is down and people can come and go freely,

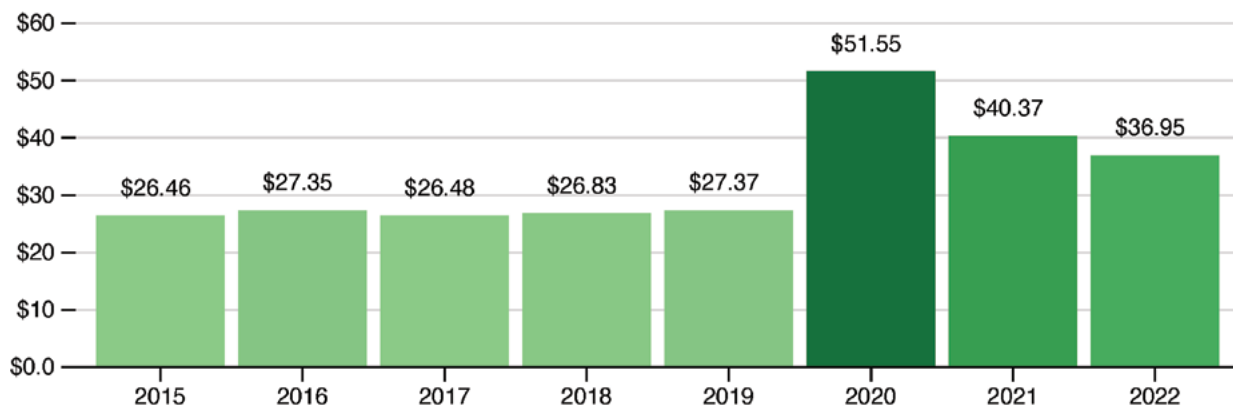
our daily customer numbers are returning to pre-pandemic levels.

Many remember the pandemic mantra “shop big and less often.” We definitely saw the results of that in 2020 and 2021, but even in 2022 people still seem to be shopping that way.

## Average Daily Customer Count



## Average Purchase





# Supporting the Local Economy

## Local Sales

Supporting the local food economy is at the heart of our mission. In 2022, local sales accounted for 38.71% percent of all Co-op sales, far above the national average of 8% for conventional grocery stores, and even exceeded the national average for food co-ops of 20% - 30%. This percentage has remained relatively consistent over the past several years. Our Member-Owners and customers value local foods and expect their Co-op to offer as many local options as possible. We are fortunate, here in Maine, to have many local farmers, food producers, and other entrepreneurs with whom to form partnerships.

We are equally fortunate that we have so many people who choose to spend their dollars locally and at the Co-op.

In 2022, the Co-op worked with 266 local suppliers, including 90 local farms. We consistently have hundreds of locally grown or produced items on our shelves.

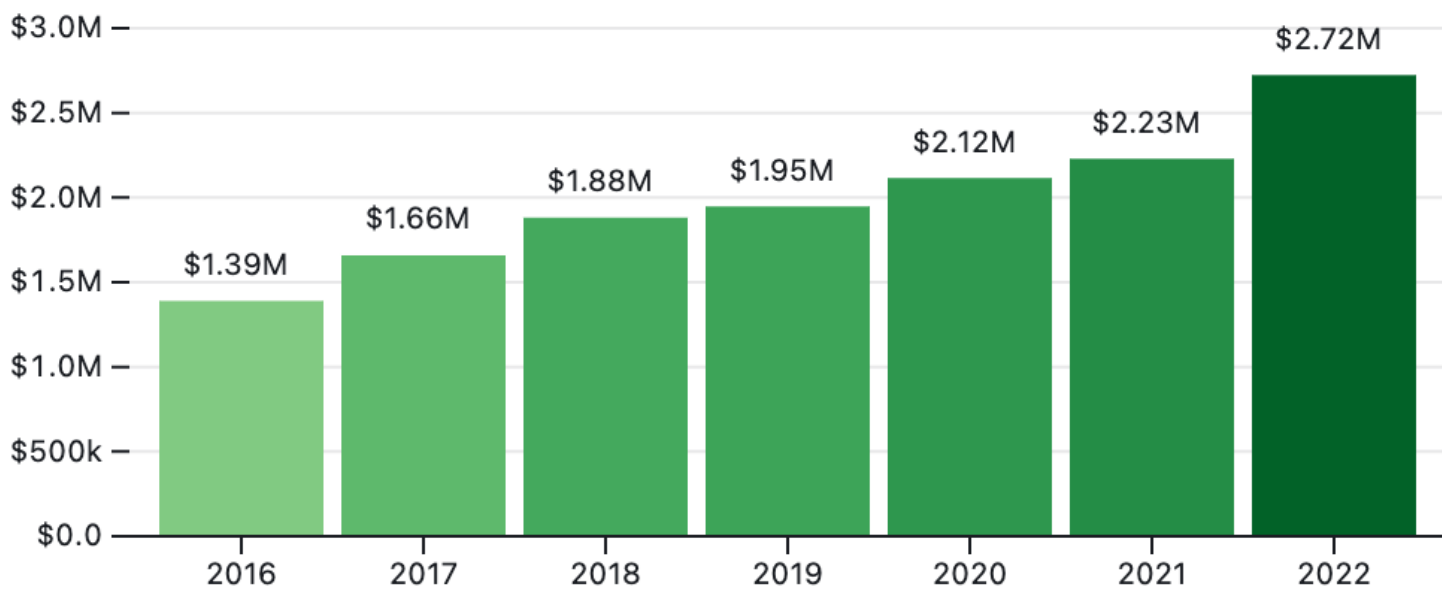
*“Supporting the local food economy is at the heart of our mission.”*

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.



*Goranson Farm in Dresden ME; Rob Johanson, Jan Goranson, Goran Johanson, and Carl Johanson. Photo by Kelsey Kobik for Goranson Farm.*

## Sales of Local Products





# Supporting the Local Economy

*“We consistently have hundreds of locally grown or produced items on our shelves.”*

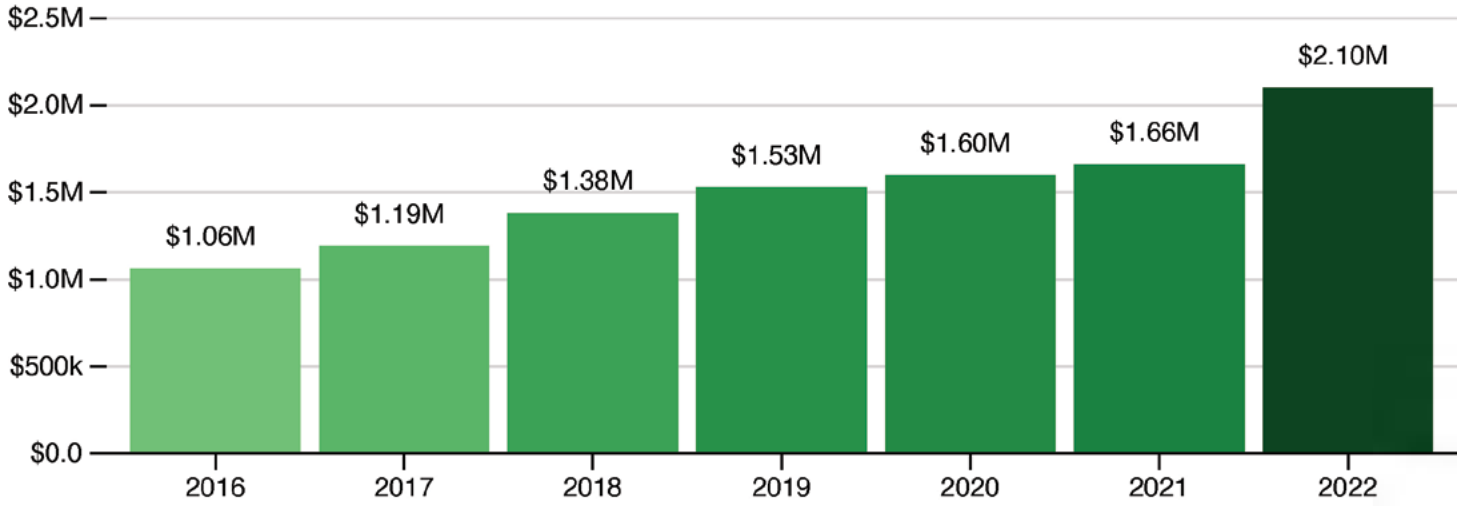
## Local Purchases

A better comparison would be local purchases. Few other businesses publish these numbers. We have these from 2016 onward and are extremely proud of them. Along with doubling our sales since opening the store, we have also nearly doubled our local purchasing. In 2022, we purchased over \$2 million in food and goods from Maine farmers and producers. We are a significant economic engine in the local foods economy.

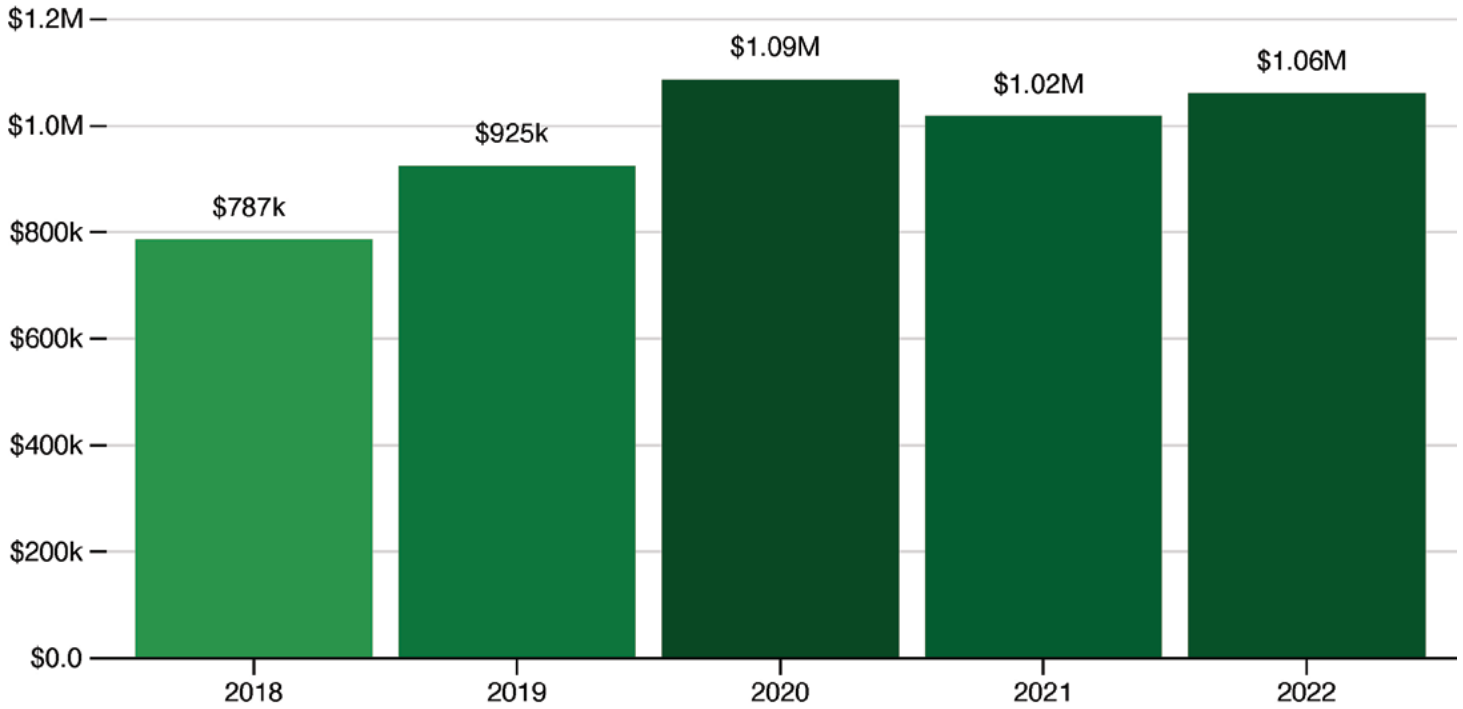
## Local Farm Purchases

In 2018, the Co-op purchased \$786,782 worth of food from 89 Maine farms. In 2019, we increased that to \$925,187 from 94 Maine farms. In 2020, we purchased \$1,087,151 from 95 Maine farms. We struggled some in 2021, and while we worked with 110 farms, our purchasing dropped to \$1,017,941. This struggle resulted from pandemic-related challenges in our local food system and within our staffing. We worked diligently to repair this in 2022 and ended the year with \$1,061,182 in purchases from 90 local farms.

# Local Purchases



# Local Farm Purchases







## Sustainability

COVID created a serious set back in our environmental sustainability initiatives but we are finally beginning to recover. There was a time when people would only buy food that was wrapped in plastic, but science and sensitivities seem to be evolving.

- 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  $\frac{2}{3}$  of the cardboard boxes that come into the store leave through the front as customer carryout instead of ending up in our recycling bin.
- In 2022, we started plans for adding over 30 new bins to our bulk department. This will significantly increase our package-free offerings. Installation will occur in 2023.
- We are back on track to eliminate standard plastic from our operations.
- Our Prepared Foods Department now uses 90% compostable plastics
- Our Produce Department offers reusable bags, paper bags, and compostable plastic bags
- Our Bulk Department predominantly uses paper bags but also encourages reusable containers.

We have many other 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.

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. The

Co-op also signed a contract to join a community solar project. This project is still in development.

One of our most significant contributions to environmental sustainability is the amount of certified organic products we sell. In 2022, the Co-op carried 2999 certified organic items. This is over a hundred more than last year. This accounts for 42.72% of our sales. Organic sales were \$3 million. Of this, 654 of those items (up by 70) were locally grown or produced. Our sales of local certified organic products topped \$1.1 million.

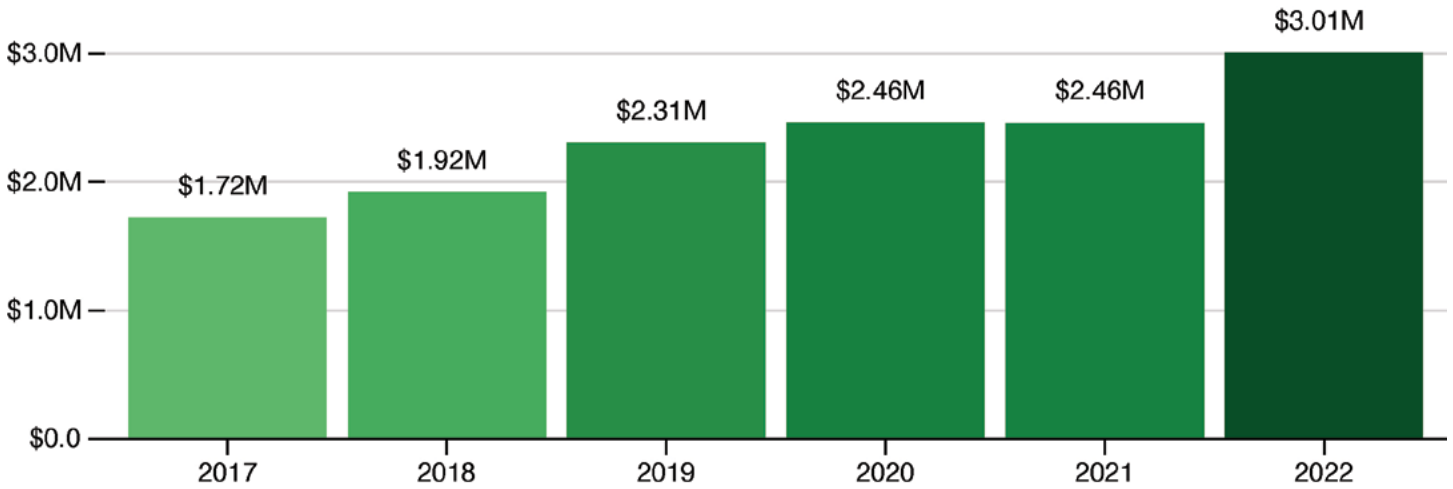
When food at the Co-op goes out of date, we donate all that still has shelf life to Presente! Maine, The Locker Project, and the Cumberland Ave First Assembly of God church. Volunteers come multiple times a week to pick it up. In 2022, this equaled over 16,000 lbs. of food with a rough wholesale value of over \$28,000.

> [view graphs on next page.](#)

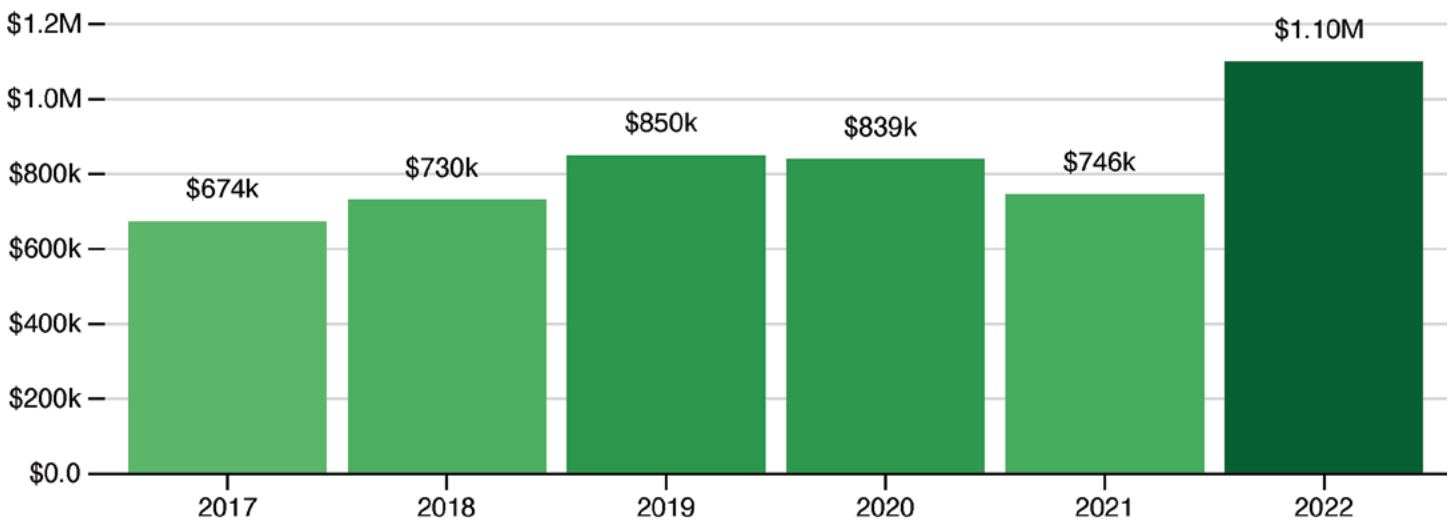


# Sustainability

## Sales of Organic Products



## Sales of Local Organic Products



# Supporting our Food System Partners

In 2022, we continued developing deeper ties to other organizations to enhance the local food economy.

We worked with Maine Farmland Trust and the Good Shepherd Food Bank to grow the Farm Fresh Rewards program. This program provides free local fruits and vegetables for people who shop with SNAP.

We are a member of National Co+op Grocers. NCG helps optimize operational and marketing resources, strengthen purchasing power, and ultimately offers more value to co-op owners and shoppers everywhere. Our NCG membership has been instrumental in our ability to train our staff in best practices, increase the quality of our communications materials, provide networking and peer

support opportunities for our buyers and managers, and offer better pricing on national brand products.

We are a member of the Neighboring Food Co-op Association, a federation of over 35 food co-ops and co-op start-ups across New England and New York. This allows us to collaborate on strategies for increasing local and regional purchasing, share best practices, network, promote cooperatives, and much more. Our General Manager is on the NFCA Board and has served as Vice President since 2019.

We are a member of the Cooperative Maine Business Alliance, a statewide network that helps cooperatives connect to each other and the larger movement. We create opportunities for cooperatives



and the public to learn about and support a cooperative economy through conferences, workshops, advocacy, and outreach. Our General Manager has served on the CMBA steering committee since 2017.

We are a member of Portland Buy Local, a campaign of the Portland Independent Business & Community Alliance. PBL believes that local,

independent businesses are the foundation of a resilient, engaged community. We shape Portland's business climate to support the needs of local businesses through education, marketing, connection, and advocacy. Our General Manager serves on Portland Buy Local's Board.

## Supporting our Community

At the start of 2019, we began supporting Amjambo Africa!, Maine's free newspaper for and about African immigrants, 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 are contributing \$4200 annually to their work. We are continuing our sponsorship into 2023.

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 Thursday afternoon during the growing season. This has been a

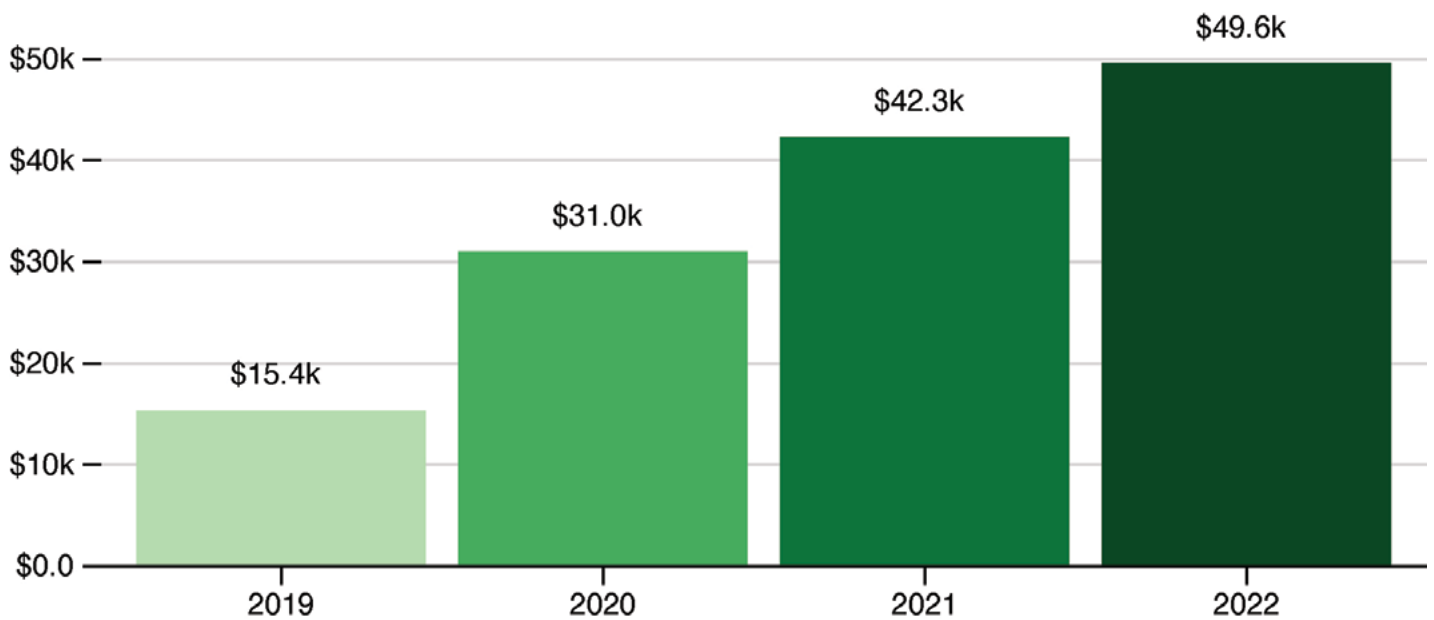
mutually beneficial relationship. Folks who come for their farm stand also shop at the Co-op. Co-op customers also shop at their farm stand.

The Co-op is also the CSA pick-up site for New Roots Cooperative Farm, a cooperative farm organized by members of Lewiston’s Somali community.

This past year, our most impactful community donations has been the Register Round-Up program. In 2022, we raised **\$49,560** for twelve area nonprofits.



## Register Round-Up Totals



*“This past year, our most impactful community donations program has been the Register Round-Up program.”*



# Register Round-Up

Our Member-Owners nominated some wonderful organizations that enrich our community in a 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

Hope Acts  
\$3,632.36

Hope Acts provides housing, English classes and other resources that support immigrants in transitioning to life in Greater Portland and in achieving their goals for a successful future.

FEBRUARY

Southern Maine Workers' Center  
\$3,199.17

Southern Maine Workers' Center is a grassroots, member-led organization working to improve the lives, working conditions, and terms of employment for working-class and poor people in Maine.

MARCH

Through These Doors  
\$3,824.47

Through These Doors is a domestic violence resource center serving victims and survivors of domestic abuse, dating violence, and stalking in Cumberland County.

APRIL

Black Owned Maine  
\$3,651.70

Black Owned Maine began as an online directory for Black businesses, nonprofits, professionals, groups, and artists. Its mission is to promote economic empowerment for Black people in Maine.

MAY

The Telling Room  
\$3,501.33

The Telling Room empowers youth through writing and sharing their voices with the world. They seek to build confidence, strengthen literacy skills, and provide real audiences for their students.

JUNE

Equality Community Center  
\$4,529.35

The ECC currently houses EqualityMaine, GLSEN, MaineTransNet, PFLAG, and Pride Portland!. These programs make a difference in the lives of LGBTQ+ people through advocacy, education, community events, and support.

JULY

## Portland Trails \$4,131.89

Portland Trails is a nonprofit urban land trust that transforms Greater Portland into a healthier and better-connected community through a 70+ miles network of beautiful, accessible trails.

AUGUST

## The Maine Immigrants' Rights Coalition \$5,006.10

MIRC's mission is to improve the legal, social, and economic conditions experienced by Maine's immigrants. They are the convener of a unique, statewide network of 85 organizations representing diverse ethnic communities across the state.

SEPTEMBER

## Portland Gear Hub \$4,381.50

Portland Gear Hub's mission is to get more youth and adults outside and active by increasing equitable access to affordable, reliable gear.

OCTOBER

## Mayo Street Arts \$4,545.26

Mayo Street Arts provides a safe haven for the arts and engages diverse cultural communities in robust participation in the visual, performing, and literary arts.

NOVEMBER

## Center for Grieving Children \$4,986.79

The Center for Grieving Children provides a safe space, loving support, outreach, and education to grieving children, teens, families, and communities.

DECEMBER

## Pine Tree Legal Assistance \$4,188.72

Pine Tree Legal Assistance is committed to making the justice system more accessible for all Mainers using three effective strategies: legal advocacy, information about rights, and community legal education.



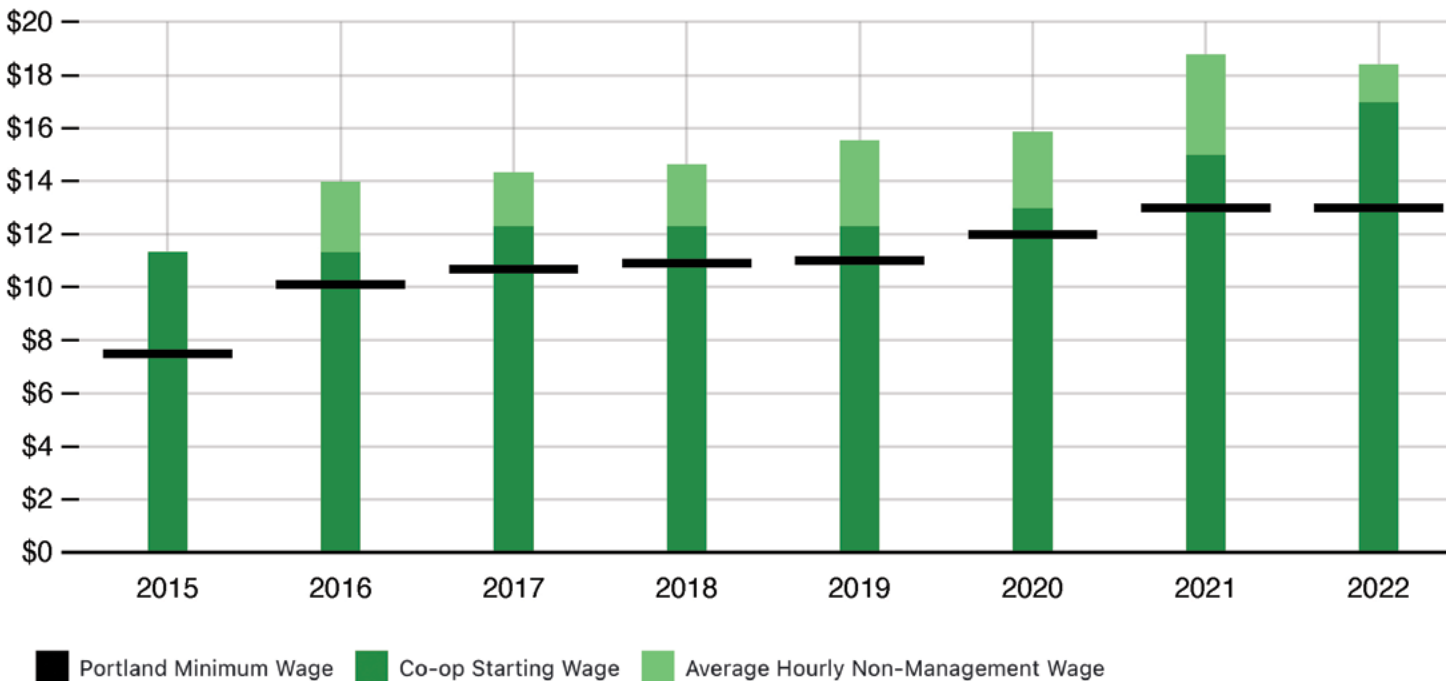


# Being a Better Employer

## Pay & Benefits

We have always strived 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 Co-op began 2022 with a \$16 per hour starting wage and increased that to \$17 mid-year. To avoid wage compression, all current staff wages were increased by \$1 per hour during this mid-year change.

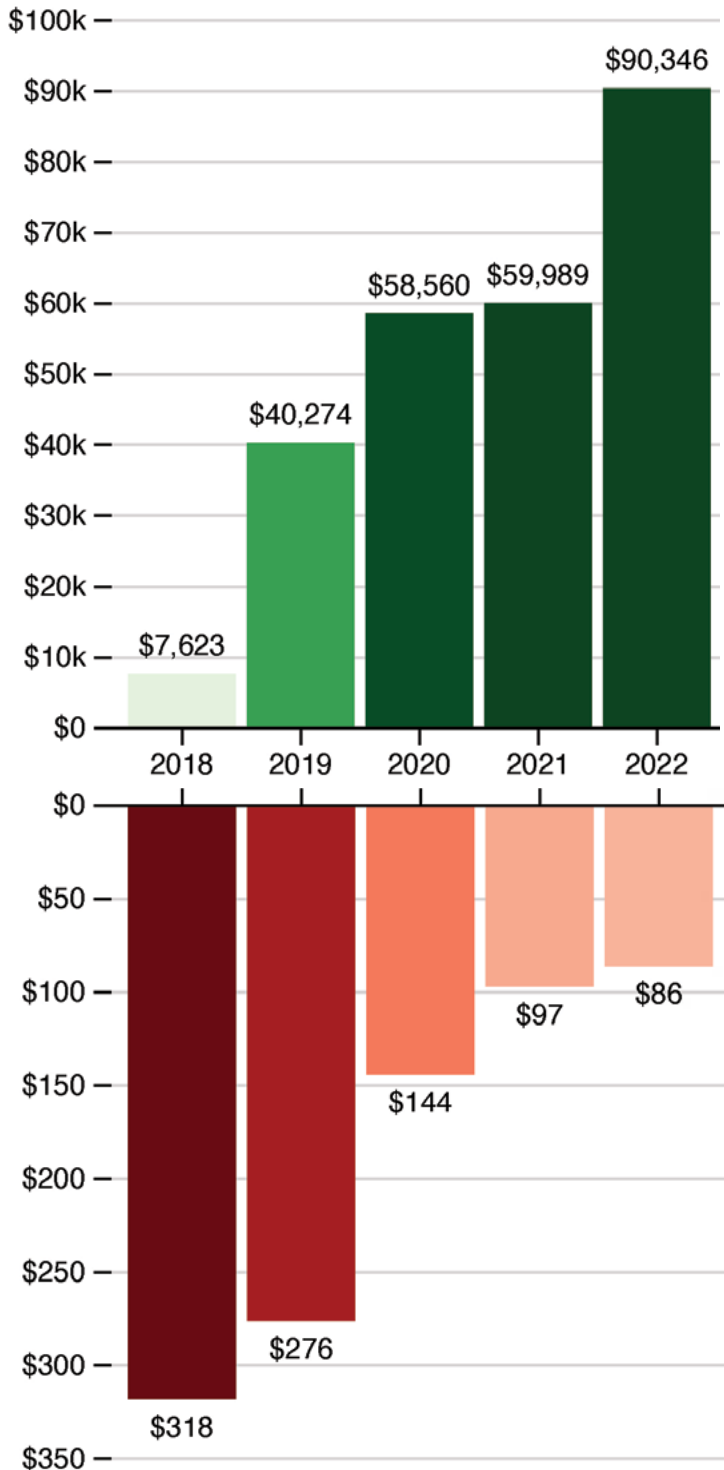


In 2022, we were able to add a third tier to our paid time off schedule. For several years we have offered an accrued three weeks of paid time off

to all staff during their first year and an accrued four weeks after that. This year we added an additional week for staff after their fifth year.

We were also thrilled to finally roll out a Portland Food Co-op retirement plan. This is a Savings Incentive Match Plan (SIMPLE) IRA that all staff can participate in after their first year. The Co-op matches up to 3% of contributions.

*PFC Annual Contribution to Employee Health Insurance*



*Employee Monthly Contribution*

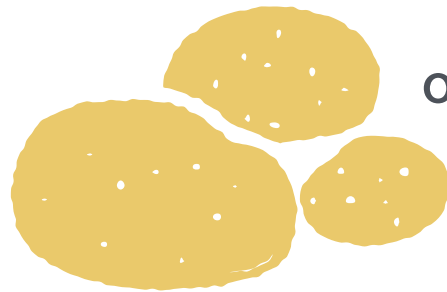
## Pay & Benefits

One of the most significant improvements we have made over the past years is the increase in the accessibility of our group health insurance. When the Co-op opened in 2014 there was no plan nor budget line for staff insurance. We created the first plan in 2018. It was a modest start. We offered health, dental, and vision but the only subsidy offered was 20% of health for the employee. By 2022, we have grown to be able to offer health coverage at 82% for the individual and 50% for partners and children. We also added a 50% contribution contribution to employee dental insurance.

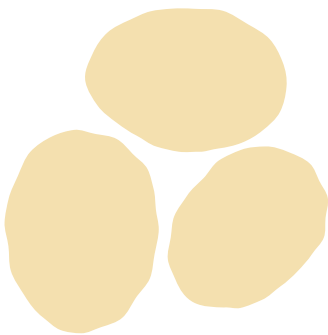
# In 2022, Co-op Member-Owners & Customers Purchased:



**4,323**  
bunches of  
local kale



**12,175 lbs**  
of local potatoes



**19,928**  
local eggs  
(dozens)

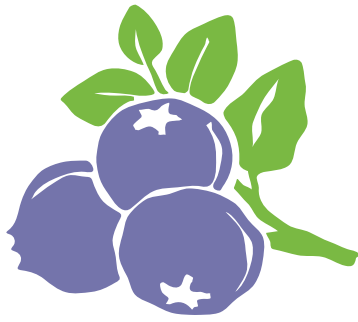


**17,060**  
jugs of  
local milk

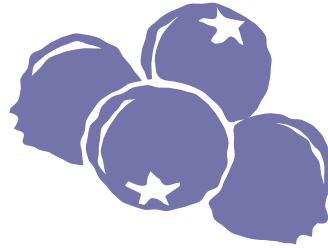


**87,201 lbs**  
of bulk foods

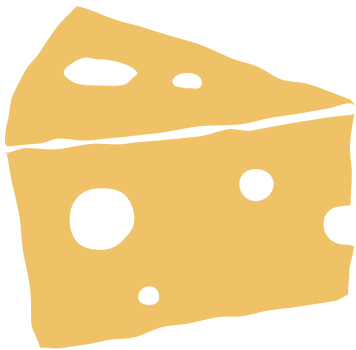




**7,529 lbs**  
of local fresh  
blueberries



**6,500 lbs**  
of local frozen  
blueberries



**5,640 lbs**  
of local cheese

**18,368 lbs**  
of local carrots



**10,785**  
containers  
of local yogurt

**43,280**  
loaves of locally-  
baked bread



# Financial Statements

In 2022, the Co-op realized a healthy net income which allowed us to continue to repay all of our Member-Owner loans on time and as agreed. As a reminder, interest on loan payments is considered an operational expense but the principle in payments must be paid out of net income (profit).

In 2014, we borrowed \$1.31 million to fund the build-out of our space and the start-up of our store.

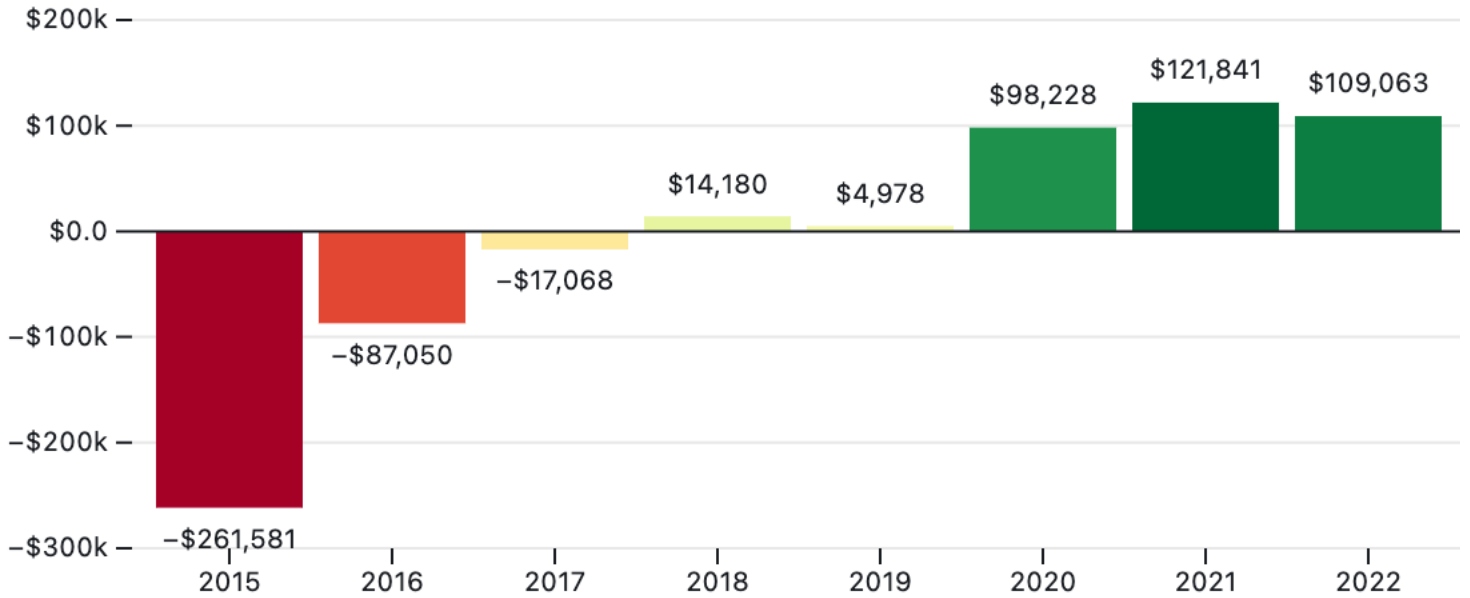
*“We have repaid 66.24% of the principal of our new store loans in the first eight years of operations.”*

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 purchased \$47,900 in preferred shares. The rest of that \$813,700 that we borrowed came from 260 Member-Owners.

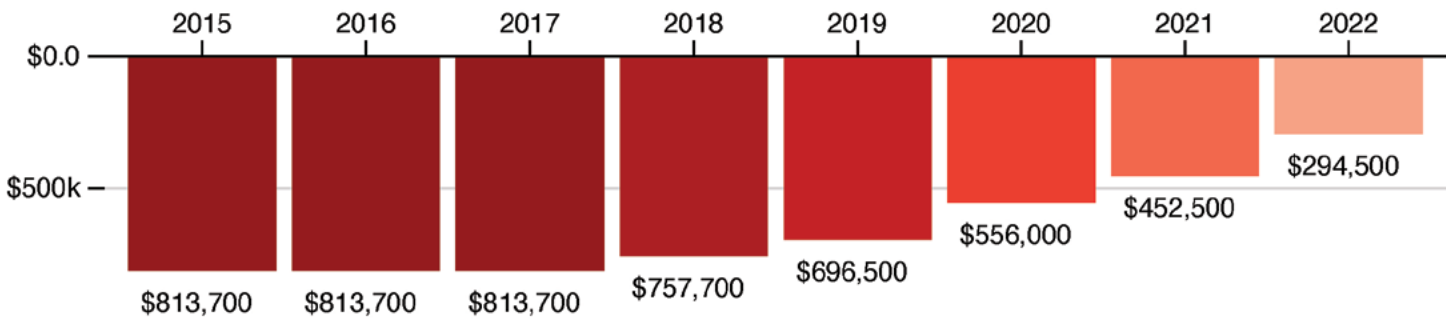
At the close of 2022, we have repaid just over \$867,754 in loan principal along with the related interest. To put this a different way, we have repaid 66.24% of the principal of our new store loans in the first eight years of operations.



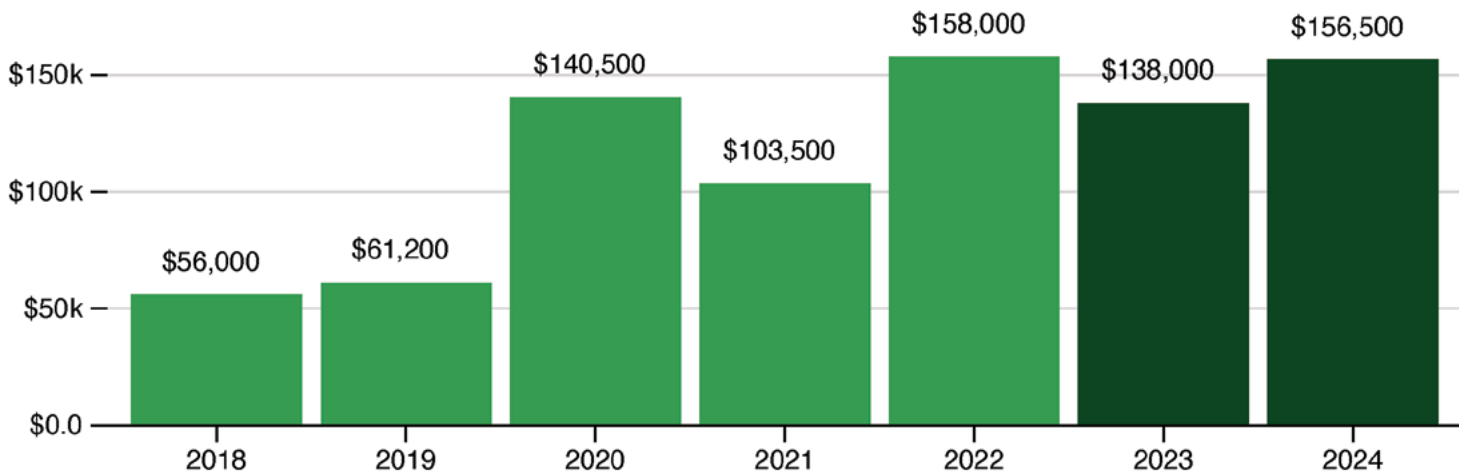
# Net Income



# Member-Owner Loan Debt



# Member-Owner Loan Principal Repayment

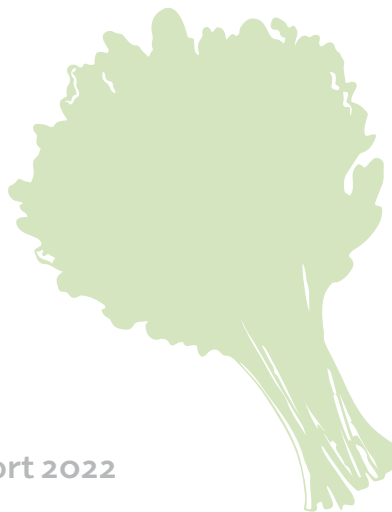




# Financial Statements 2022

## Profit & Loss 2022

Ordinary Income/Expense	Jan-Dec 2022
Income	\$7,031,573
Cost of Goods Sold	\$4,668,232
Gross Profit	\$2,363,341
Expense	
6100 - Salaries and Related Expenses	\$1,539,377
6200 - Operations Expenses	\$748,704
Total Expense	\$2,288,081
Net Ordinary Income	\$75,260
Other Income/Expense	
Other Income	\$47,183
Other Expense	-\$420
Net Other Income	\$47,603
Provision for Income Taxes	\$13,800
<b>Net Income</b>	<b>\$109,063</b>



## Balance Sheet December 31, 2022

<b>Assets</b>	<b>Dec 31, 2022</b>
Current Assets	\$1,011,040
Fixed Assets	\$329,608
Other Assets	\$582,320
<b>Total Assets</b>	<b>\$1,922,968</b>
<b>Liabilities &amp; Equity</b>	
Liabilities	
Current Liabilities	\$678,081
Long Term Liabilities	\$555,703
Total Liabilities	\$1,233,784
Equity	\$689,184
<b>Total Liabilities &amp; Equity</b>	<b>\$1,922,968</b>

*2022 Financial statements were reviewed by Synergy Accounting and Business Solutions, LLC (A member of Columinate Co-op).*

*A full copy of this review along with full copies of previous year reviews and audits are available at [www.portlandfood.coop/financial](http://www.portlandfood.coop/financial).*

