



# 2012 Annual Membership Meeting

October 18, 2012

6:00 pm - Babcock Theater

## Agenda

Call to Order and Approval of Minutes 2011 Annual Meeting

Election Results

Call for new business

Music, Food and More

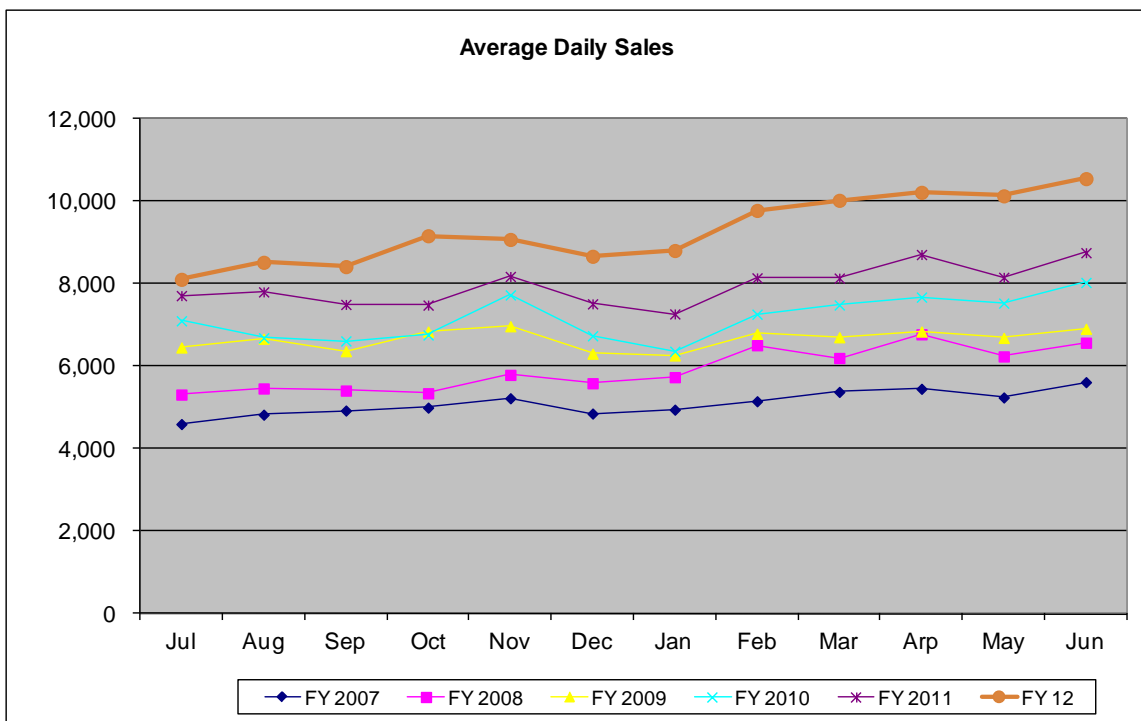
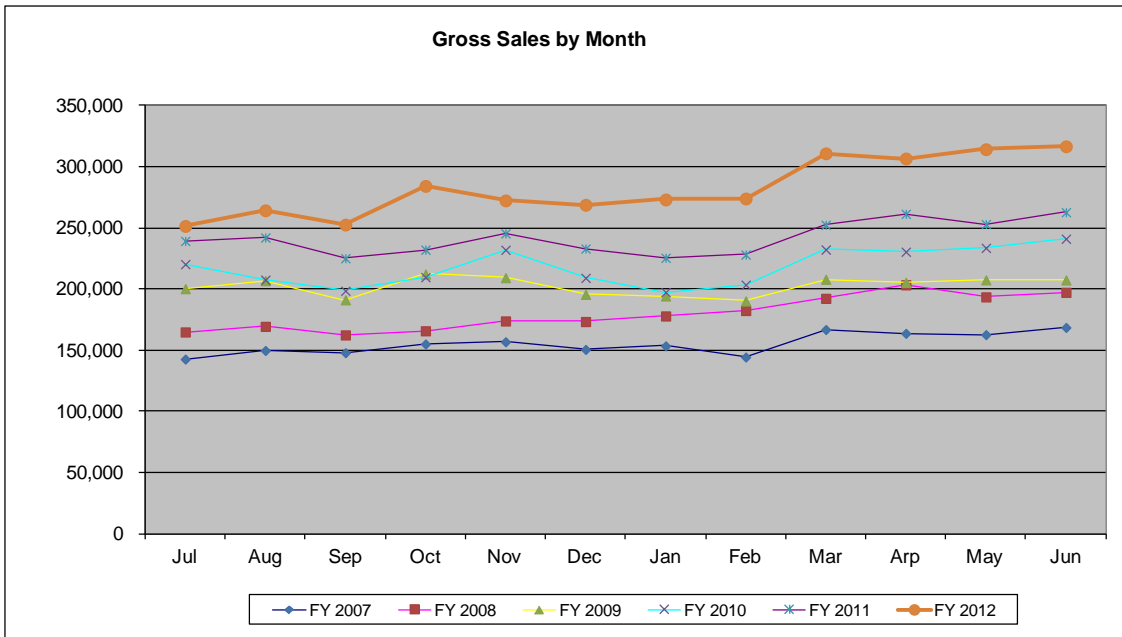
## Our Mission

Good Earth Market integrates local, sustainable food systems, cooperative values and environmental stewardship in a lively community marketplace.

# Year in Review

*Goal - Strengthen our Co-op*

Meet our annual financial goals



## Annual Profit and Loss Comparison

	FY2010		FY2011		FY2012	
Sales	2,615,811		2,900,622		3,389,846	
Less: Cost of Goods Purchased	1,625,885	64.0%	1,825,800	62.7%	2,072,348	62.2%
<b>Gross Profit</b>	<b>989,926</b>	<b>36.0%</b>	<b>1,074,822</b>	<b>37.3%</b>	<b>1,317,498</b>	<b>37.8%</b>
Labor & Benefits	556,717	19.7%	640,748	20.5%	796,306	21.3%
Other Operating Expenses	381,070	15.5%	403,094	15.8%	470,515	14.6%
<b>Total Operating Expenses</b>	<b>937,787</b>	<b>35.3%</b>	<b>1,043,842</b>	<b>36.3%</b>	<b>1,266,821</b>	<b>35.9%</b>
<b>Net Profit/(Loss) from Operations</b>	<b>52,139</b>	<b>0.8%</b>	<b>30,980</b>	<b>1.0%</b>	<b>50,677</b>	<b>2.0%</b>
Other Income/(Expenses)						
Memberships	39,600	1.5%	41,519	1.4%	42,313	1.5%
Other	5,116	0.2%	113	0.2%	16,494	0.2%
<b>Total Other Income/(Expense)</b>	<b>44,716</b>	<b>1.8%</b>	<b>41,632</b>	<b>1.7%</b>	<b>58,807</b>	<b>1.7%</b>
<b>Net Income/(Loss)</b>	<b>96,855</b>	<b>2.5%</b>	<b>72,612</b>	<b>2.7%</b>	<b>109,484</b>	<b>3.7%</b>

## Balance Sheet Comparison

	As of 6/30/10	As of 6/30/11	As of 6/30/12
<b>Current Assets:</b>			
Cash & Cash Equivalents	69,164	97,279	103,344
Inventory	191,427	186,647	208,938
Other	2,104	10,757	12,595
<b>Total Current Assets</b>	<b>262,695</b>	<b>294,683</b>	<b>324,877</b>
<b>Fixed Assets (net of depreciation)</b>	<b>385,125</b>	<b>367,985</b>	<b>350,023</b>
<b>NCGA Equity</b>	<b>0</b>	<b>1,023</b>	<b>8,663</b>
<b>TOTAL ASSETS</b>	<b>647,820</b>	<b>663,691</b>	<b>683,563</b>
<b>Liabilities &amp; Equity</b>			
<b>Current Liabilities</b>	<b>99,648</b>	<b>102,083</b>	<b>131,254</b>
<b>Long Term Liabilities</b>			
Member Loans	186,680	186,680	145,350
US Bank/Downtown Billings	216,918	169,558	118,381
<b>Total Liabilities</b>	<b>503,246</b>	<b>458,321</b>	<b>394,985</b>
<b>Equity</b>	<b>144,574</b>	<b>205,370</b>	<b>288,578</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>647,820</b>	<b>663,691</b>	<b>683,563</b>

## Cash Flow:

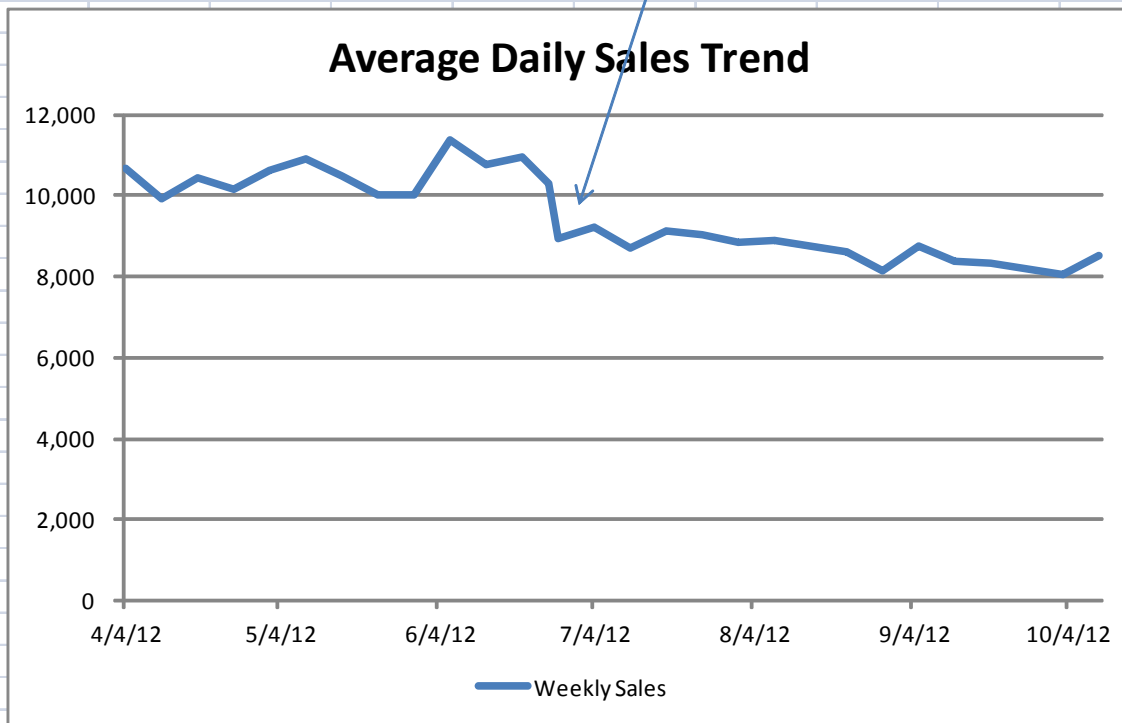
- GEM had a positive cash flow for the year
- The positive cash flow was used for upgrading and purchasing equipment
  - Nut grinders
  - Bulk department expansion
  - Deli equipment

Net Income		109,484
Add back non cash expenses:		
Depreciation		9,091
Amortization		27,018
Deduct principle loan payments		(92,508)
Deduct NCGA investment		(7,109)
<b>Increase in Cash</b>		<b>45,976</b>

## The Coming Year - a different challenge than we've had before

- Natural Grocers opened its doors in late June and GEM has felt the impact of a new competitor
  - The number of shoppers remains consistent
  - Sales per customer are trending down
- Our strategy - capitalize on our differentiators
  - Promote our co-op values and our commitment to our members and to our community
  - Continue our commitment to local producers
  - Provide outstanding service
  - Implement the NCGA recommendations for the deli
  - Promote our bulk department
  - Be mindful of our resources and use them wisely
  - Shop, shop, shop

Natural Grocers opens for business.



## Grow and engage our membership



- Continue to increase member engagement and opportunities for members to be involved
  - Percent of sales to members
    - FY06 = 81%
    - FY07 through FY09 = 84%
    - FY10 = 83%
    - FY11 = 84.2%
    - FY12 = 82.8%
    - Member discounts totaled \$62,335, up from \$57,000 the year before

### Looking Forward

- Survey the membership to better understand the needs
- Identify and implement programs to increase the percent of sales to members
- Through our outreach efforts, develop additional opportunities for members to volunteer with projects
- Continue to develop our social media community
- Engage the membership in the discussion of equity ownership

## *Goal - Make GEM a great place to work*

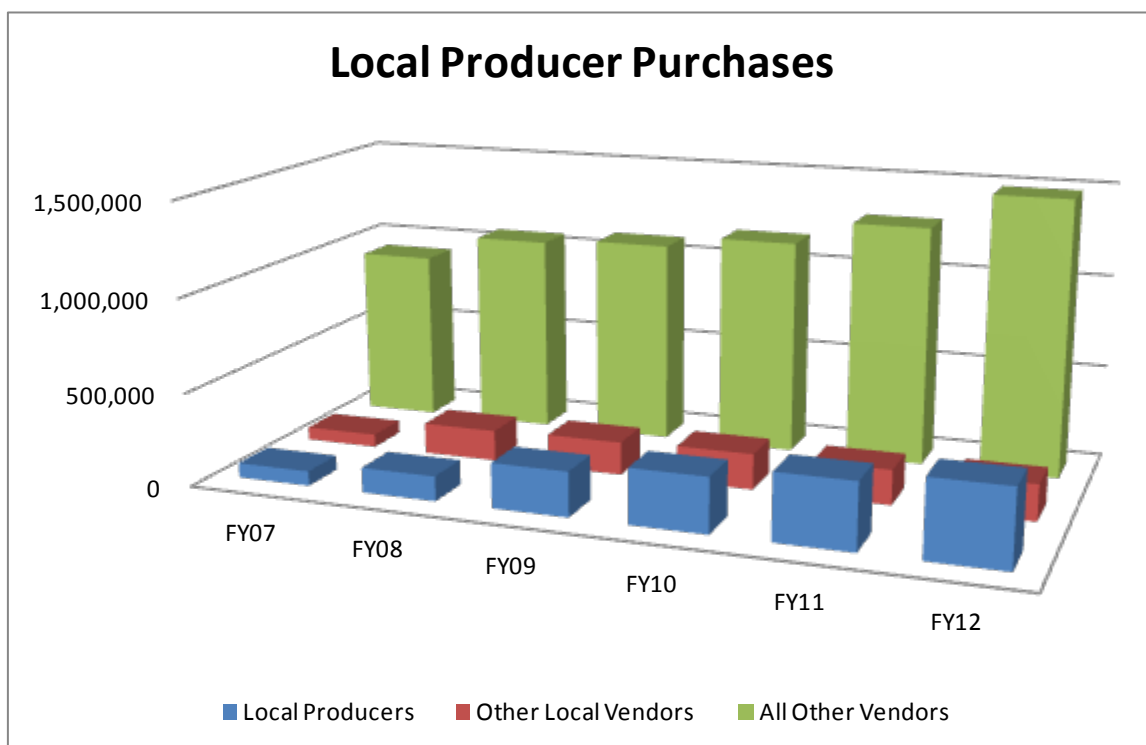
- GEM employs 34 people ~ 18 are full time; 16 are part time
- Annual payroll and benefits = \$796,306 (up 24% from last year - increase from additional labor hours but also from adjustments to our wage scale and staff and management rewards)
- Employee discounts totaled \$21,833
- This past year, GEM updated its wage scales for all staff positions with assistance from NCGA and the living wage calculator
- Through our NCGA membership, managers participated in professional development classes

## Looking Forward

- Continue to improve employee salary, wage and benefit options as a way to recruit and retain stellar staff
- Continue succession planning within the departments and at the management level
- Continue to utilize the resources of NCGA to further the training and development of all staff

## *Goal - Build the local, organic, sustainable food and goods economy*

- Sold out 4 Sunday Suppers - repositioned as Farm to Table with more focus on local producers
- Continued local producer advisory committee initiatives
  - Local Producer map
  - Local Producer fairs - February and October
  - Farmer's Market booths
- Continued commitment to "get local"



### Top Local Producers:

~ B Bar Ranch  
~ Mountain View Colony  
~ Stells's

~ Danly Farms  
~ Negaard's Greenhouse  
~ Trevino's

~ Das Kuchenhaus  
~ Seder Ridge  
~ Wholesome Foods

### New Local Producers:

~ Quality Foods Distributing  
~ The Oil Barn

~ Bausch Potato, Inc.  
~ John Ross

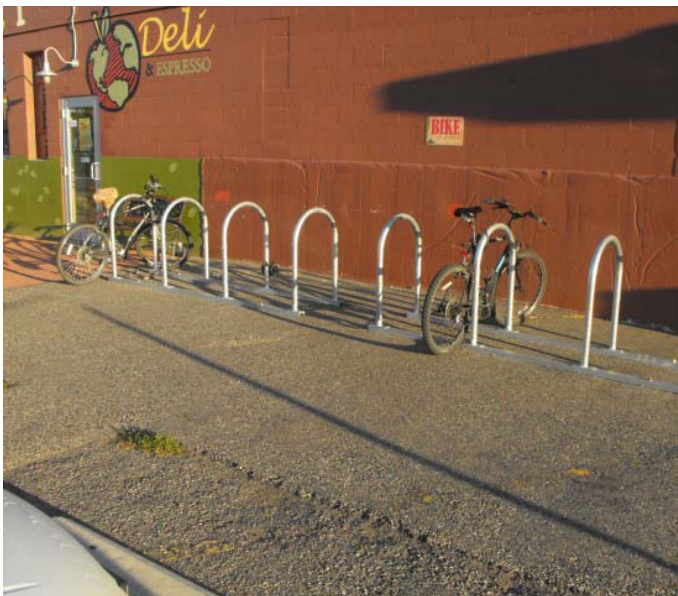
~ Sweetgrass Natural Lamb  
~ SpicZ Galz



## Looking Forward

- Continue to feature local producers in the newsletter, on-line and throughout the market
- Add tours to local farms
- Continue to promote local producers at the Farmer's Market, Sunday Suppers, etc

*Goal - Incorporate values of environmental sustainability in our physical environment*



Thanks to the generosity of Ed Gulick (he forgave his member loan and used the money to build this magnificent bike rack), we have the best bike rack set up in Billings.

Thanks, Ed.

## Looking forward

- Roof repair/replace
- Complete the rest of the space in front of the store
- Parking lot repair
- Be prepared to own our own building

## *Goal - Increase community engagement, outreach and education*

- GEM events
  - Art Walk - 5 times a year; gallery talks, dinner, music
  - Earth Day annual celebration
  - Sunday Supper's - celebrating local food prepared by local chefs and enjoyed by local friends
  - Farmer's Market booths for local producers
  - Local producer fair - February and October
  - Global Village annual fund raising event
  - National Food Day
- Education (here's a sampling)
  - Film series - "The End of Suburbia"; "Fresh"; "Stronger Together Co-op"; "The Economics of Happiness"
  - Food as Fuel - High Octane Vegan Cuisine
  - Good Books for Co-op Cooks
  - Chronic Pain
  - Green for Life

### Looking Forward

- Increase educational offerings that tie directly into market initiatives
- Engage local businesses within the GEM neighborhood - tours, lunch specials, education sessions, etc.
- New member orientation tours
- Local producer tours