



**FEATHER  
RIVER FOOD  
CO-OP**  
— SINCE 1978 —

**June Issue  
2023**

# 2022 ANNUAL REPORT

Prepared By  
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269 Main St Quincy, Ca  
60 N Pine St Portola Ca



## ABOUT US

### **Begun as a Buying Club in 1978**

We began in 1978 as a buying club, known as Feather River Food Co-op. Over the years the name and location changed but the mission remained the same: bring affordable, healthy foods to the residents of Plumas County.

### **Moved to Main Street in 2003**

In 2003 we moved to our present location on Main Street, which we purchased and renovated with lots of help from our member-owners in 2002.

Then, in 2013, we opened a second store in Portola, calling it by our namesake – Feather River Food Cooperative. Now, with a member ownership of more than 2,100 and a Board of Directors working to develop the vision, FRFC has great support and can give back to the community in many ways. That's because we're not just grocery stores, we're cooperatives. Cooperatives are designed to work for their member-owners, providing them with the goods and services they collectively want.





# MARCIE WILDE

## GENERAL MANAGER REPORT

Some of the many challenges we faced in 2022 included record inflation, supply chain issues, and labor shortages. The dedicated leadership team met those challenges time and time again. Their hard work and dedication to the co-op is inspiring. Being only two and half years into my General Manager position, the support, and strength my team has shown is incredible. I am so grateful to them for supporting me and the co-op through the ups and downs during a turbulent year.

2022 saw record inflation that peaked at 9.1%. We definitely felt this, with constant price increases coming in from our distributors.



We expected most operating costs — wages, benefits, insurance, rent, maintenance, etc. — to continue to increase and sales to be negatively impacted by a slowing economy and rising prices. This is a unique challenge for businesses built on systems that are better for farmers, the environment, and our communities. Our prices permit us to pay our workers better wages, support organic and sustainable practices, and offer high-quality food to our customers. So, lowering costs without compromising the key values of the system has been difficult.

Supply chain interruptions also affected our small co-op. There were times when our delivery would show up and 1/3 of it was “long-term out of stock”. Our grocery teams worked tirelessly to fill those gaps, sometimes resulting in the need to bring in different products to offer. One such example was eggs. We changed offerings more than once to ensure that we at least had eggs on the shelf. Again, a testament to our dedicated team.

A common theme not just at our co-op but in our community was labor. There were times when multiple positions stayed open for months before even one applicant applied. I know personally I continued to see “now hiring” signs all over town. This eased a bit during quarter four in 2022 but certainly was a large issue for us. So far in 2023, our turnover rates are far less than they were in 2022 at this time.

So, how did your co-op overall do through all of this? These challenges showed us that while we are strong financially with good assets, we still suffered income loss in 2022. Our co-op overall had less income, higher cost of goods, and higher operating costs. Our utility expenses alone rose by \$20K in 2022. The co-op ended the year with -\$150k in net income. When compared to other co-ops our size, this is definitely a theme. After a few years in a row receiving covid relief money, we had a cushion to work with, but it bled out quickly.

What are we doing to address these issues? We continue to keep an eye on price increases. It has eased a bit in 2023, and we hope that it turns a corner soon. We have begun looking at our labor and scheduling to determine when and where we need the most support. We are also seeing an ease in the supply chain. We haven’t had as many out of stocks, and our distributors have become better at letting us know in advance of long-term out-of-stock issues. One area we are still challenged by is our bulk flour. Our representatives working with us from United Natural Foods have shared that the ongoing war in Ukraine is the direct cause of this flour shortage. We have had to change up our flour in the bakery to ensure you still are able to eat that delicious sourdough bread.







What does 2023 look like for us? We are already off to a good start. We are seeing a decline in some areas of our operations expenses and labor. Our Quincy store has seen slow growth so far, while our Portola store has continued to see double-digit growth when compared to this time last year. We applied for a \$10K American Rescue Plan grant and received that grant to help offset some of the cost of the pandemic.



We also applied for the Sierra Healthy Refrigeration grant. This grant's purpose is to assist the co-op in replacing old equipment with new, energy-efficient models. We await the outcome of this grant.

We continue to see an increase in our membership, which shows how strong our co-op community really is. We saw 332 new members in 2022. 177 of those new members were from our Portola location, while 155 were signed up in Quincy. Our growth in Portola is being felt! Our current challenges and those to come will continue to test our co-op, but we know our cooperative business model provides better outcomes for every member. We continue to focus on improving the health and wellness of our communities, offering a clear choice for everyone interested in good food, better health, and stronger communities. We have a strong leadership team, and with them, we will march on and continue to be the co-op you love and trust.



# FINANCE REPORT

## Finance Manager: Irene Kling

Thank you, Member-Owners and patrons!

In 2022 we saw a 8.7% increase in sales in Quincy and a 8.3% increase in Portola sales from 2021. Total sales for both stores saw an increase of 8.6%. Total sales in 2022 were at \$41,198,074.66 compared to \$3,864,538.06 in 2021. Which makes for a \$333,536.60 increase.



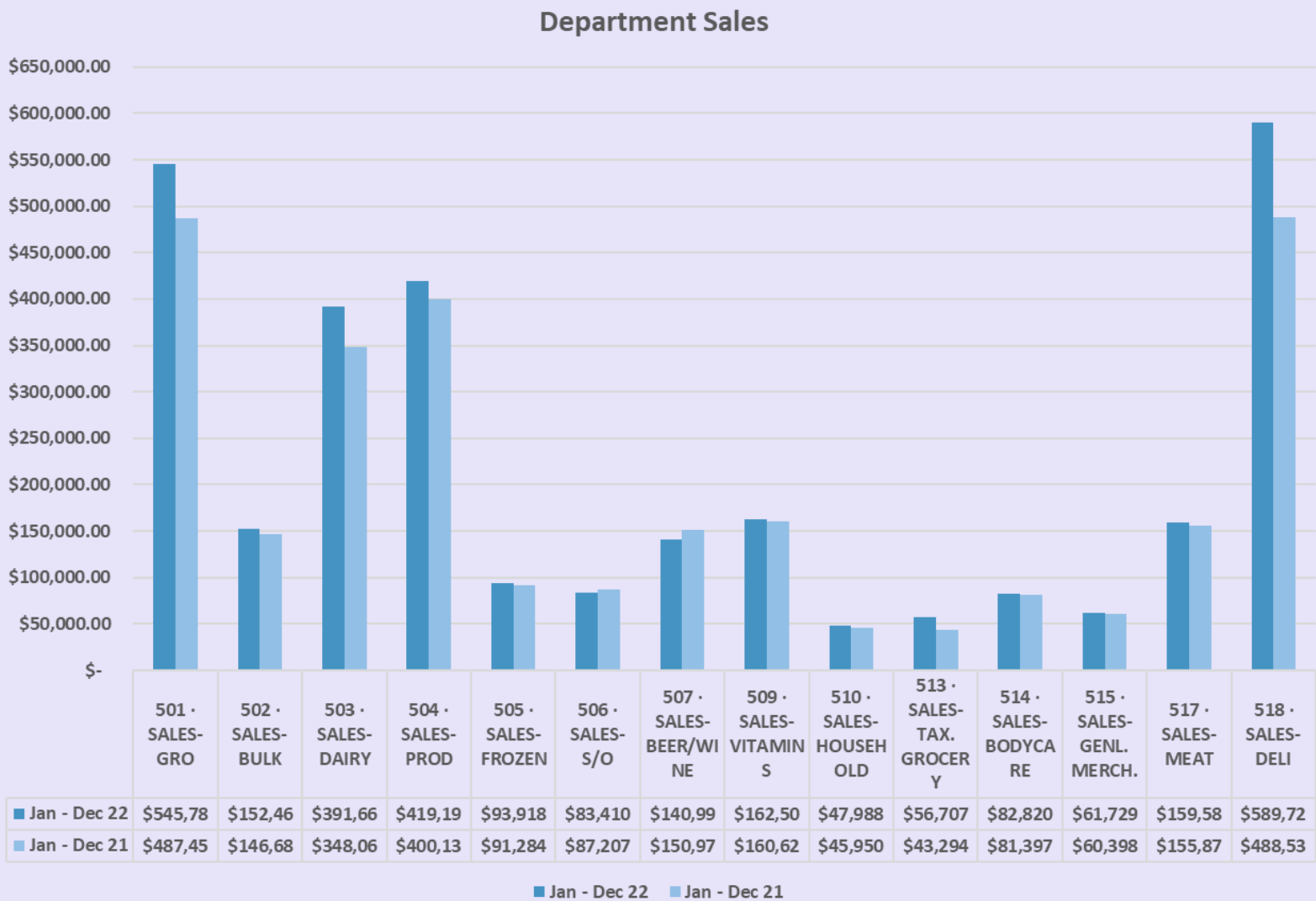
## Finance Graph: Store Sales







# Finance Graph: Department Sales Comparison





## Finance Graph: Discounts Given Comparison

DISCOUNTS	2022	2021	DIFFERENCE
WELLNESS WEDNESDAY	\$8,837.32	\$9,563.13	\$(725.81)
COMMUNITY TUESDAY	\$34,798.13	\$33,902.36	\$895.77
AFP	\$9,310.56	\$4,844.46	\$4,466.10
10% QUARTERLY AND NEW MEMBER	\$52,764.31	\$36,460.57	\$16,303.74
TOTAL	\$105,710.32	\$84,770.52	\$20,939.80



# 2022 BOARD PRESIDENT

## GIA MARTYNN



After two years of navigating a pandemic and wildfires, 2022 seemed almost like a “normal” year. The board’s primary focus was implementing Policy Governance, the new policy structure we established in 2021. New to FRFC, but used by many food co-ops nationwide, we had many examples and support from other co-op boards and consultants to guide us.

Implementing the new governance structure entailed a more robust reporting system on behalf of the General Manager (GM), requiring the GM to provide a reasonable interpretation and establish key indicators for measuring policy compliance.

Policy compliance was demonstrated with data on each key indicator and whether the data met a target metric. For example, key financial and operational indicators, such as sales growth, margin minus labor, and inventory turnover, were some of the indicators used for monitoring compliance with financial condition policies. The target metric used to determine compliance was whether the co-op’s performance was at or above the median for similar sized co-ops for the said reporting period. If the GM reported non-compliance on any one indicator, they outlined actions they were taking to meet the target metrics. The monthly monitoring reports also provided the Board data-supported information for the board’s annual review of the GM’s performance. Completing a full year of policy monitoring, the Board can successfully report full compliance on all indicators and target metrics in 2022, with the exception of few financial conditions that were impacted by economic circumstances outside of the GM’s control. Despite continual challenges with inflation, labor and supply shortages, and equipment breakdowns, our Co-op continued to thrive under Marcie Wilde’s second year of leadership as our GM.



To improve efficiency, the Board recently updated all Committee Charters and calendars to sync with the board's monitoring schedule, and the Policy Committee began cross walking the Procedural Manual with the Policy Register to ensure consistency and continuity between the two governing documents. Adding in some board education, a little fun, and member-owner recognition the FRFC Board sent two members (myself and Aubrey Pickerell) to the Consumer Cooperative Management Association annual conference in South Dakota. The opportunity to attend provided inspiring workshops on shared lessons learned and strategies from peer coops, as well as, networking and relationship building with other coop board members and staff. The entire board continues to grow their skills and knowledge through the attendance of on-line trainings and workshops.

We held our first in-person annual meeting after two years of pandemic restrictions, with an outside event catered by our own deli. At the annual meeting we initiated the Member-Owner FRFC Steward Award to recognize member-owners who continually give their time in service to the further our co-op values and mission. Last year's awardees were Bob Boschee and Linda Margaretic. We also held our Breakfast with the Board event for the first time again since 2019.

On a personal note, I would like to thank all the past and present Co-op board members, committee members, employees, and GMs for their continued dedication to our Co-op. The Co-op's success as a model community-focused local business is due to the continued service and support of each of us as member-owners, and our outstanding Co-op employees.



**2023 BOARD PRESIDENT SCOTT STIRLING**

## Board of Directors



**Melissa Lopez**

Vice President



**Dana Krinsky**

Secretary



**Wayne Cartwright**

Treasurer



**Leslie Wehrman**



**Ian Schrammel**



**Clare Churchill**



# Amber Hughes

## OUTREACH COORDINATOR



We are a cooperative grocery store that prioritizes a "stronger together" approach, with our members' needs and values at the core of our operations. Despite facing challenges

comparable to the Great Depression, we remain committed to rebuilding connections and celebrating cooperation.

We are excited to share that our Round Up @ the Register program has successfully operated for four years now, thanks to the combined efforts of 20 local organizations. We are proud to announce that we have added six new Eastern Plumas-Sierra County recipients at our Portola store. As part of our commitment to building connections in the Eastside community, we partnered with events like Sierra Valley Art & Ag and sponsored the Sierra Buttes Trail Stewardship's Gravel Grinder. Additionally, every October, we celebrate National Co-op Month and showcase local businesses like Sasquatch Farms, Lost Sierra Honey, Whittemore Farms, PCIRC, Lost Sierra Food Project, Plumas County Mental Health, Fire Safe Council, and many more at our storefront.

Round Up at the Register provides an accessible platform for residents to donate to community projects aligned with our Co-op's Mission. By focusing on a different organization each month, participants were able to contribute a total of \$9,995.36 in 2022.

We are also thrilled to announce that our 2022 Cooperative Community Grant awardees went to two local non-profits. The Loyalton Senior Center was awarded \$1,400 to fund an expansion for 6 troughs, add outdoor seating, and a fence to keep out bears. The Música Sierra program was awarded \$1,400 to support bringing music, visual, and performing arts directly to the children of Sierra County. Their mission is to enrich the cultural experience of Sierra County with world-class, year-round performances and music education, accessible and affordable for all.





Every year, the Cooperative Community Grant receives donations of all sizes, from checks to change jars. These contributions have a significant impact on the community organizations mentioned above. If you're interested in making a difference in your community and taking part in this program, kindly inquire about ways to contribute from a staff member. Your contribution can make a big difference and help create positive change in your community.

We are proud to announce that we have recently adopted a portion of the scenic Plumas County byway on the outskirts of Portola. Our Adopt-A-Highway program has been in place since 1998 and we are committed to its outreach efforts.

We are grateful for the support of our dedicated volunteers, including Carla Hamilton from Quincy and Will McKee, who is our newest liaison in Portola. Thanks to their efforts, our program continues to thrive.

Our commitment to the community is a top priority at Feather River Food Co-op. As a leader among local businesses and cooperatives, we partner with organizations that share our mission. If you're looking for a gathering place that offers fresh, healthy, and delicious food, while staying connected to the local community, then the co-op is the place for you. Everyone is welcome, and there's always a seat at the co-op table.

Thank you for joining us in being a part of the Co-op difference!







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## HEAR FROM OUR TEAM

### Demographics:

31.3% Millennials

29.2% Gen Z

22.9% Gen X

16.7% Baby Boomer

### 2022 Employment Numbers:

Total Employees in 2022: 48

Portola Employees: 12

Quincy Employees: 36

## Sara Lodwig Portola Store Manager

# EASTSIDE NEWS



2022 was a year to celebrate!

Immense thanks to our member-owners and patrons. We have seen tremendous growth and continue to do so through perseverance, values and commitment.

The dedication, hard work and vision of our phenomenal staff have supported goals while fostering roots in our community. We continue to steer the ship by being cooperatively-owned by the whole community. Our business responsibilities are integrated into our community services, financial sustainability, values and mission-related community impact.

We saw tremendous growth in Portola in 2022. Although experiencing many ups and downs through harsh weather conditions, production shortages and inflation we continued to see steady weekly sales increase.

- Membership- Portola saw significant growth in new and returning membership overall.
- Donations- In 2022 Portola offered weekly donations to the Portola Highschool Farm to Fork program. We assisted in the health and well-being of California school children through integrated food-based education and healthy food access.
- Adopt-A-Hwy- FRFC adopted a portion of Hwy 70 in Portola and welcomed William Mckie as our AAH liaison.
- Produce Report- Last year we celebrated with Sasquatch Farm and its abundance of tomatoes, squash, and pumpkins.
- Ali & Sara worked hard integrating Rugged Roots Farm and Greenville Highschool produce at the Portola store.
- We are thrilled to announce this year's offerings from local farms Gary Romano, Sasquatch Farm, Whittemore Family Farm, and Tahoe Food Hub.
- We recently added bulk lettuce bins to Portola keeping them full of spring and spinach mix from Gary Romanos's farm.



# GROCERY MANAGER SHARRILL IRONS



The grocery department in the Co-op has been working hard over this past year to keep items our Members and customers love on the shelves. Our grocery team works closely with the NCG (National Co-op Grocers) to bring you the best deals and to be more price competitive with other stores in our area.

The Grocery Team works daily on filling in the holes when manufactures have discontinued products or just long-term out of stocks. We are not seeing as many out of stocks as we have in the past couple of years, but supply and

ingredient issues are the main reason we do see out of stocks and some of our favorite items disappearing altogether.

- This next year we look forward to seeing new products and better pricing with some of our core items as we work with NCG and our manufacturers for more competitive pricing that we gladly pass on to our Members and community.
- Our local meat program has been growing over this past year with Bradley & Son's grass-fed beef and introducing ground yak meat from a local rancher out of Sierra Valley near Calpine. Unfortunately, Genesee Valley Ranch Wagyu Ground Beef will be on hold until further notice. We are hoping to have them back in the fall of 2023.
- We are still getting Local Honey from Sierra Valley, and Sutter Buttes. We have been working on some other local sources, so stay tuned.
- Our Bulk Dept is making a slow comeback after Covid basically shut down the department. We have slowly brought back many popular items, even some new ones. But it is still seeing slow movement overall.
- Overall, the grocery team has been trying to keep up with the trends and bring in the items requested. Sometimes we just don't have the room, but hope we can accommodate when possible. As always, you can special order a case of any item you are missing, if it is still available.



# Alison Blesse

## PRODUCE MANAGER



The Produce Department came with its fair share of ups and downs over the past year. The 4-Person Produce Team worked hard to keep things fresh and abundant even when availability and stock was limited and scarce.

- Typical daily price fluctuations turned into only increases almost overnight making it difficult to fill our shelves and meet our margin goal. Lettuce, broccoli, and cauliflower are just a few of the items that skyrocketed in price so much that we were unable to bring in any at all for some time. I am happy to report that while prices still remain high, we are finally starting to see the numbers plateau which is reassuring going into this upcoming 2023 Summer Season.



- We hired a new Assistant Manager, Theora Harvey, at the beginning of June just in time for the return of the High Sierra Music Festival after a 2-year hiatus. This position transitioning smoothly was crucial for the department at this particular time of the year and we couldn't have asked for a better outcome.



- The spring & summer 2022 Local Seasons went well. While we all missed our beloved favorites from the Dawn Gardens, we were able to fill in those gaps with beautiful produce from Lost Sierra Food Project's Rugged Roots Farm, Morning Glory Organics, and Greenville High School. Sadly, we will not be seeing those wonderful cucumbers or sweet peppers this year from GHS but we've recently teamed up with the Tahoe Food Hub and look forward to providing our community with fresh produce from surrounding area farms that are harvested 2 days before it hits our display. Keep your eyes peeled!



Kjessie Essie - Barn Swallow Gardens

- Last year was our first season working with Kjessie Essie from Barn Swallow Gardens in Taylorsville. She puts together unique bouquets with flowers from her family's farm. We are looking forward to another summer of these beauties! Kjessie delivers Tuesday mornings and they go quickly so stop in and get yours sooner rather than later!

\*Did you know that you can also special order produce at a discounted price? Ask a Produce Team Member about quantity and cost!



# FRONT END MANAGER MICHELLE FULTON



What's new in 2023 for the Front End department at FRFC-Quincy?

- **Drawer Accountability-** For the life of the CoOp we have never had cashiers assigned to a specific drawer hence no drawer accountability. It was one big free-for-all as to who got to ring on registers. This worked out alright when we were a small store with few employees but as we have grown in size it has become more difficult to track down cash drawer errors. To that end we began working on a robust accountability program through our POS system at the end of 2022 to be implemented in the early part of 2023.
- **New Hires and Turnovers** - 2022 was a tough year for employee turnovers. I am happy to report that we are doing much better in 2023 with far fewer turnovers. We currently have a great crew on the Front End/Grocery team and I look forward to working with them all for many moons to come.
- **Front End Manual and Training revisions** - The Front End team in collaboration with our POS coordinator and General Manager have completely reworked our Front End Manual and our Front End training protocols. These two documents needed updating to reflect new POS procedures and to get rid of old procedures that are no longer appropriate.
- **Labor Costs and Scheduling** - Labor costs continue to be a big problem for FRFC. An analysis of the schedule was conducted in 2022 and we found that there were some unnecessary overlaps in scheduling. We have done quite a bit of schedule correction and work on more scheduling efficiencies in an attempt to reduce our labor costs.



# Monica Quinones

## HEALTH & BEAUTY MANAGER



Our Quincy and Portola stores boast a comprehensive Wellness department that caters to a wide range of needs.

From supplements to personal care products to general merchandise, we have it all. I have been serving as your cooperative buyer and wellness manager for a year now, which has given me a deeper understanding of our community's preferences and requirements.

Occasionally, we face supply chain challenges, but we work with product representatives to explore all available options and ensure customer satisfaction, even if we don't have a specific item or it's temporarily out of stock. We are always on the lookout for new and innovative products while phasing out discontinued and low-performing ones. Recently, Portola has diversified its general merchandise offerings through shared direct buys. We value our customers' feedback and inquiries as it helps us forecast their preferences and keep our prices competitive. Our exceptional customer service and unique offerings set us apart in today's fiercely competitive market and foster customer loyalty. Thank you for choosing to shop in our Health & Wellness Department. We hope to see you soon!



## Love Local





# THANK YOU

## Cooperative Businesses Make Sense

Feather River Food Co-op works to promote local ownership, economic democracy, and environmentally friendly business practices.

### CONTACT US



(530)283-2458



[www.FeatherRiver.Coop](http://www.FeatherRiver.Coop)

Co-op Stronger Together



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