



General Manager, Marcie Wilde

A YEAR IN REVIEW

2025 was a year of continued growth, along with a few significant challenges.

In January, we completed our grant-funded refrigeration replacement project. Through a \$240,000 grant from CDFA, we were able to upgrade aging equipment to more energy-efficient models, including our largest investment: new walk-in cooler and freezer units.

In March, we installed our new deli hot bar. During the very first week, we sold out of our now-famous pot pies. Since adding this equipment, deli sales have grown by over 21% in just one year.

We had hoped to begin offering WIC benefits to our customers in 2025. Initial research indicated we would be able to secure all required products through our distributors to meet WIC retailer requirements. Unfortunately, the avian flu outbreak, followed by a cyberattack affecting our main distributor, disrupted progress toward that goal. We continue to pursue solutions so we can provide WIC benefits to our shoppers in the future.

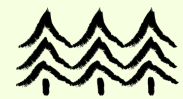
In June, our primary distributor, UNFI, experienced a major cyberattack that left us scrambling to source products. The disruption caused several weeks of significant out-of-stocks throughout our stores and reinforced an important lesson: the need for multiple distribution partners. During the disruption, Costco briefly served as a backup supplier and helped us keep shelves stocked. We now work with two primary distributors, UNFI and KeHE.

The Farmers Market returned in 2025 after a six-year hiatus. We hosted the market at Rich Bar Tap in Quincy, hoping to create a welcoming community gathering space. Our first year back came with challenges, including a shortage of local farmers able to grow enough fresh produce to sell at scale. Even so, we remain committed to rebuilding the market and earning back community trust after such a long absence.

In September, we completed a reset of our Quincy store by relocating products from Aisle 4 to Aisle 2 and introducing new ramen and chocolate end-caps. Sales in those areas increased by nearly 60% following the changes.

Thank you for your continued support of the co-op. Our members are the backbone of this cooperative, and we strive every day to better serve your needs and strengthen our community.





OUTREACH REPORT 2025

Our Outreach Department remained very busy throughout 2025, with revitalizing the Farmers Market serving as a top priority. The market operates as a community benefit rather than a profit-driven endeavor, and our Outreach Coordinator, Ross MacNeil, did a tremendous job bringing new energy and life back to the market.



During the 2025 season, we hosted five markets with an average of seven vendors participating at each event. Unfortunately, only a small number of these vendors were farmers. A short growing season, combined with limited production capacity among smaller backyard growers, created challenges for local farm participation. We remain hopeful that more farmers will join us in 2026 as the market continues to rebuild. We recognize that no single schedule works for everyone, and factors such as the day of the week and market hours are not always ideal for all participants. We remain open-minded and committed to exploring different options moving forward.

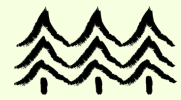
Our highlight outreach program, Round Up at the Register, continued to be a tremendous success in 2025. Together with our shoppers, we donated \$14,236 back into the community to support organizations and nonprofits throughout Plumas County.



In 2025, our Cooperative Community Grant program awarded two \$800 micro-grants to the Portola Co-op Preschool and the Quincy Elementary Parent Cooperative. The 2026 grant cycle is scheduled to open in August 2026.

Overall, the co-op facilitated \$20,328 in donations and sponsorships in support of local organizations and community initiatives during 2025. We are proud of the positive impact these efforts continue to make and remain committed to supporting and strengthening our local community.





Finance Manager, Irene Kling

FINANCE REPORT 2025

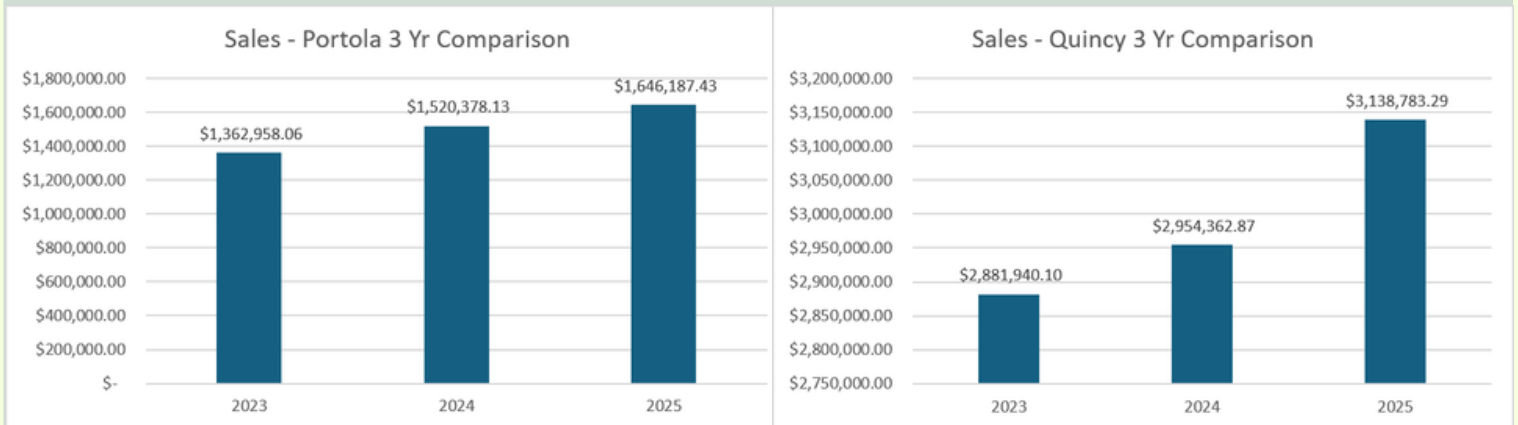
We ended 2025 on a positive note, with total sales reaching \$4.7 million and net income totaling \$37,756. While net income came in lower than projected, the Co-op remained profitable and finished the year in the black.

Payroll continues to be our largest operating expense. Although employee turnover declined as a result of increased wages and enhanced benefits, labor costs remain one of our most significant financial challenges.

Utility expenses decreased by nearly \$30,000 compared to the previous year. This reduction was largely driven by the installation of upgraded equipment in Quincy, along with improvements to our solar energy system.

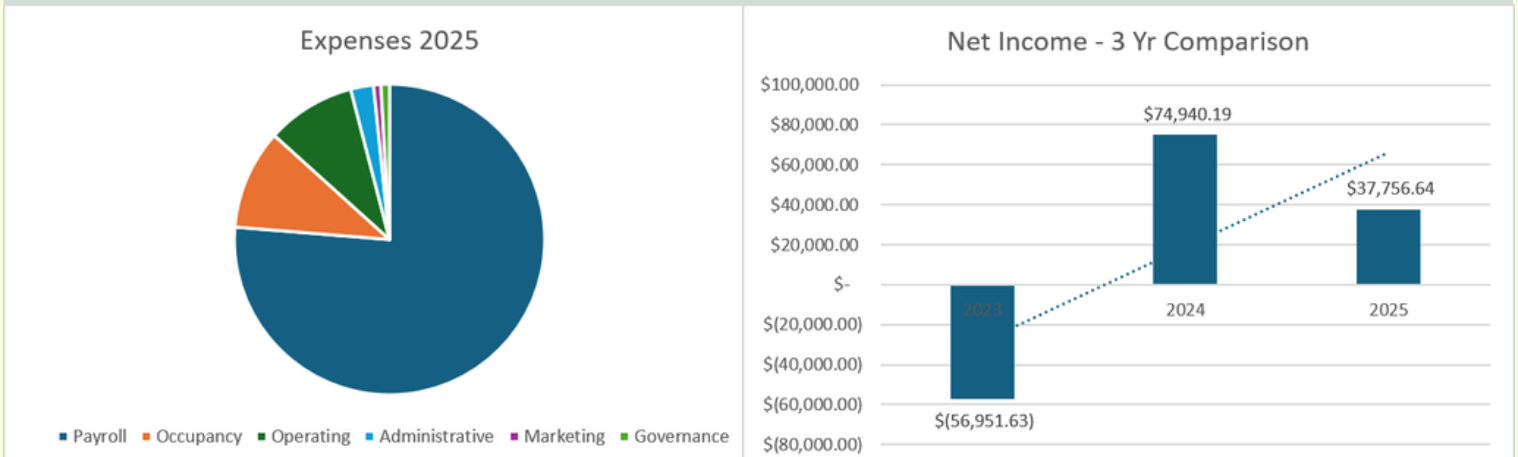
Participation in both the EBT and Affordable Food Program (AFP) continued to grow throughout 2025. Compared to 2024, EBT usage increased by 25.3%. AFP participation also saw strong growth, increasing by 13.1% in Quincy and 44.9% in Portola.

Sales by Store:



Expenses Breakdown:

Net Income Comparison - 3 Yr





LOOKING AHEAD 2026

Looking ahead to 2026, we have exciting plans to expand and strengthen our co-op. For many months, we have been exploring ways to expand our kitchen operations. Since acquiring the kitchen from American Valley Baking in 2021, it has

grown from a department averaging \$9,300 per week in sales to an operation now averaging more than \$15,000 per week. Year-to-date in 2026, deli sales are already up 21.9%.

To support this continued growth, we began searching for an offsite property that would allow us to increase production capacity while also creating opportunities to expand within the store itself.

We are excited to announce that we have secured a property located just 250 feet from the back door of our Quincy store. Beginning in June 2026, 237 Lawrence Street in Quincy will become the home of our new central production kitchen. This move will more than double our current kitchen space and position us for the next phase of growth.

Our long-term vision includes expanding both bakery and deli offerings, launching a catering department to meet growing community demand, and increasing our ability to provide fresh, prepared foods to our region.

Much of 2026 will be dedicated to planning and implementing the remodel of this commercial kitchen facility. As of the writing of this report, escrow is expected to close on June 30, allowing us to move forward with securing bids and beginning the project.

As with every major milestone in our co-op's history, we hope our members will consider being part of this exciting new chapter. Our cooperative was built on member-owner investment and support. When we purchased and remodeled the current Quincy store in 2002, that success was made possible by members who contributed their time, expertise, and financial support.

At our annual meeting in June, we plan to begin discussions regarding member loans to the co-op. These short-term, interest-bearing loans would provide members with an opportunity to directly invest in the future of the cooperative while helping support this important expansion project.

We are grateful for your continued support and enthusiasm as we grow. If you are interested in participating through member loans, please watch for additional information in the coming months.

