



**Maple City Market**  
2018 Annual Report

# Message from the Board Chair

By Brian Wiebe

Thanks to all 2000+ owners who make Maple City one of the largest locally-owned, democratically-controlled businesses in Goshen! On behalf of our eight-member board of directors, it is our pleasure to represent you in our governance work. We believe the store is on a very fine trajectory, and we hope you agree!

We have had our current "Ends Statements", which clarify the "results" we all want to see in our community, for over a year now. We established these based on your counsel:

## MCM Ends Statements

Because of MCM, there will be a healthy community nourished and educated by:

**1. EQUITABLE** *economic practices.*

**2. REGENERATIVE** *environmental impacts.*

**3. INCLUSIVE** *socially responsible relationships.*

When you spend money on food at the Co-op, you can be confident that there are equitable practices that consider things like fairness among producers, consumers and staff, as well as the health of the environment and good relationships. Every dollar you spend at the Co-op is an investment in

this healthy community and healthy world.

If the board's most important job is to interpret our owner-members wishes and put them into writing (we have 29 pages of policies!), then the 2nd-most-important job is delegating responsibility to a (carefully-selected!) General Manager. Brad Alstrom is in his third year of leadership, and ever since he assumed leadership, we have seen positive growth at the store.

In Brad's report, you will see that the store strives to be "the destination for fresh, local, and organic." As the Co-op continues to make outstanding local produce and other products available (and offer more and more samples for when we're in the store!), I encourage all of us to purchase more and more from MCM. When we buy more, we create an even stronger business.

Our board is excited to present Clayton, Denise and Rose to you as our slate of new board members. With your votes, we will move to a board of nine members instead of eight, giving us increased capacity for understanding what our owners wish for the future, and doing important committee work. We encourage all of you to consider serving in the future. It really is an enjoyable task! I am completing nine years of board service and have enjoyed each year immensely. Eric Amt is also ending his board service, and we thank Eric for his fine leadership and connections to Elkhart. We wish our good board colleagues, and Brad and the entire staff, all the best as you continue to lead. And Eric and I will look forward to continued shopping at MCM!



**Elsa and her piglet friend at  
Jake's Country Meats**

# General Manager's Report

By Brad Alstrom

Thank you to all our stakeholders, including Co-op members and shoppers, our friendly and talented staff, our board of directors, our vendors, growers, producers, and community partners. It is all of you who make Maple City Market a vibrant co-operative business in the Goshen community.

## 2018 Shopper Survey Summary

*In May of last year, we sent a shopper survey to over 2220 email addresses and received 334 usable responses, a 15% response rate.*

University of Wisconsin Extension conducted the survey for us, which allowed us to compare ourselves to a database of responses from shoppers at 46 other food co-ops around the country.

83% of respondents agreed that the Co-op is doing well or very well in terms of their overall satisfaction, but only 60% said the same in terms of how well the Co-op is meeting their grocery needs. In general, we are well below average when compared to customer responses from our co-op peers around the country, indicating great potential to improve on these metrics. We only need to look to our co-op peers for inspiration, such as those in Milwaukee, Madison, or the Twin Cities to name a few.

Lower prices and improved products are the top two factors that would prompt shoppers to spend more at the Co-op. We learned that we are doing a good job of meeting customers' needs in the bulk and coffee/tea departments, but not in grocery, frozen, and meat departments. We listened and started making improvements to those departments. Meat and frozen are currently the top two growth departments. We are preparing to launch a project to better merchandise our packaged grocery department.

*68% of respondents say that being a member-owned cooperative increases their patronage of Maple City Market.*

Approximately three-fourths of respondents favor expanding the Co-op's operations in the next 3 – 5 years. The outcomes most preferred if the Co-op expands are selling more local and/or organic foods and expanding parking.

**Thank you to everyone who participated in the survey. Please continue to provide feedback when shopping at the store or by email to [brad@maplecitymarket.com](mailto:brad@maplecitymarket.com). Your feedback helps us serve you better.**

## Sales Growth

2018 sales were \$2,030,948, a 15.5% increase over 2017 and the first time the Co-op surpassed \$2M. Our sales growth was the 8th top rate of growth for all 143 co-ops in NCG (National Co-op Grocers). We started and ended the year with double-digit sales growth, and saw an unexpected additional boost in traffic when our nearest large competitor was closed due to flood damage from mid-February thru July.

*Our growth was driven primarily by the fresh departments, including produce, meat, and deli.*

The produce department in particular stood out as our destination offering of fresh, local, and organic.

### Annual Sales



## Co-op Finances

Beyond the strong sales, the co-op experienced mixed financial performance for the fiscal year. Personnel expenses dropped for the 2nd year in a row to 24.3% of sales. We struggled to control margin and operating expenses, however, both of which contributed to a negative net income of

-1.2%. The co-op ended the year with a weaker cash position than it started. The start of 2019 has resulted in flattening sales growth, but significantly improved cash flow.

## Co-op Membership

In 2018, we added 204 new co-op members and over \$14,000 in member equity. 2,163 co-op members bought groceries at MCM in 2018 (up from 2,136 in 2017). Member purchases accounted for 74.3% of all purchases. On average, our shoppers put \$25.44 of groceries in their basket on each visit.

*Thank you, co-op members, for supporting our one-of-a-kind, locally-owned, co-operative grocery!*

### Annual Customer Count

72,300      72,600      80,000



2016

2017

2018

### Average Basket Size

\$22.33      \$24.21      \$25.44



2016

2017

2018

## Local Vendors & Purchases

In 2018, the Co-op purchased product from over 60 local & regional vendors totaling an estimated \$178,000 of local purchases.

Our top selling 2018 local & regional vendors include: Clay Bottom Farm, Sustainable Greens, Horn of Plenty Co-op, Yoder's Produce, Alive! Aquaponics, Ridge Lane Farm, MiddleBerry Patch, Kercher's Sunrise Orchards, Miller Poultry, Jake's Country Meats, Yoder's Meat, Sunshine

Acres Poultry, John's Butcher Shop, Smoking Goose, KD Eggs, Springside Eggs, Robinson Eggs, Pine Knoll Acres Dairy, Crystal Springs Creamery, Sunny Meadows Cheese, Capriole Goat Cheese, Farming for Life Ferments, Presto Kombucha, Breadsmith Breads, Gluten Free Sensations, Jack & Jill's Maple Hill Farm, Hannar's Apiaries, Fish Lake Organics, Naturavila, and Sundance Botanicals.



**Margot enjoying the first tomato of the season at Clay Bottom Farm**

## Local Business Patronage

Over 5% of the Co-op's sales last year was patronage from other local businesses. Some of our top business customers include Goshen Brewing Company, Constant

Spring, Goshen Health, Maple City Health Care, ATC Trailers, College Mennonite Kitchen, Common Spirits, and Venturi.

## Co-op in the Community

The Co-op hosted over 20 events during the year, including live product demos, educational workshops, kids events, cooking classes, a movie screening and our annual meeting. We supported Goshen Public Library's Summer Reading Program, collaborated with a Goshen College Sustainability Program community project and a Goshen Middle School fair-trade project. We continue to work with the Elkhart

County Clubhouse employment program, providing two part-time jobs to Clubhouse members.

*We are proud to be the Window's 2018 sponsor of the year for our regular contributions to their Food Pantry program.*



**Staff and students from Prairie View Elementary enjoying a day at the co-op!**





## Co-op as Employer

We ended the year with 26 employees, including 12 full-time and 14 part-time. Starting in 2018, the Co-op implemented a livable wage for 1st-year full-time wage rate. Livable wage started at \$10.82/hour and increased to \$11.24/hour at the end of the year. Our average wage in 2018 was \$12.98/hour. Staff turnover dropped from

28% to 24%, and productivity increased from \$65 sales per labor hour to \$67.

Seven employees have worked at the Co-op for at least 5-years (indicated by \* below) and one employee for 10-years (\*\*).

**Amanda Guzman**  
**Anamaria Guevara \*\***  
**Bekah Schrag**  
**Brad Alstrom**  
**Bruce Bishop \***  
**Cassie Brown**  
**Christine De La Fuente**  
**Christopher Horst**  
**Danny Newcomer \***  
**David Guevara**  
**Erin Floyd**  
**Greg Imbur \***

**Gretchen Krause**  
**Isabella Noble-Hartzler**  
**Josh Yoder \***  
**Kami Barhydt**  
**Leah Schroeder**  
**Matt Lind**  
**Petra Showalter**  
**Rhonda Parkhurst \***  
**Sarah Bender**  
**Tristan Beechy-King \***  
**Woodrow Wilson**  
**Victoria Moore**

## Balance Sheet Summary\*

Fiscal Years ending Dec 31	FY 2018	FY 2017	FY 2016
<b>Assets</b>			
Current Assets	\$162	\$171	\$136
Equipment & Building	\$125	\$131	\$125
Other	\$44	\$47	\$21
Total Assets	\$331	\$349	\$282
<b>Liabilities</b>			
Current Liabilities	\$131	\$138	\$62
Long Term Debt	\$0	\$0	\$0
Total Liabilities	\$131	\$138	\$62
<b>Equity</b>			
Membership Capital	\$282	\$268	\$243
Retained Earnings	(\$81)	(\$57)	(\$24)
Total Liabilities & Equity	\$331	\$349	\$282

## Income Statement\*

Fiscal Years ending Dec 31	FY 2018		FY 2017	
<b>Sales</b>	<b>\$2,031</b>	<b>100.0%</b>	<b>\$1,758</b>	<b>100.0%</b>
Cost of Goods	\$1,312	64.6%	\$1,121	63.8%
<b>Gross Margin</b>	<b>\$719</b>	<b>35.4%</b>	<b>\$637</b>	<b>36.2%</b>
Personnel Expenses	\$494	24.3%	\$440	25.0%
Operating Expenses	\$248	12.2%	\$204	11.6%
Member Discounts	\$14	0.7%	\$20	1.1%
<b>Operating Profit</b>	<b>(\$36)</b>	<b>-1.8%</b>	<b>(\$27)</b>	<b>-1.5%</b>
Other Income	\$12	0.6%	\$34	1.9%
<b>Net Profit</b>	<b>(\$24)</b>	<b>-1.2%</b>	<b>\$7</b>	<b>0.4%</b>
				*All numbers displayed in thousands
<b>2018 Total Sales</b>	<b>\$2,030,948</b>			
<b>Sales Growth</b>	<b>15.5%</b>			





## Co-op Board of Directors

Brian Wiebe, Chair (2010-2019)

Amanda Qualls, Vice-Chair  
(2015-2021)

Marlys Weaver-Stoesz (2018-2019)

Phyllis Miller (2017-2020)

Eric Amt (2016-2019)

Darin Short (2018-2020)

Bruce Cashbaugh (2018-2021)

Mark Seeley (2018-2021)



**Maple City Market**  
fresh. local. organic.