



MAPLE CITY  
**market**

G O S H E N , I N D .

2019-2020  
Annual Report



# Message from the Board Chair

*By Amanda Qualls*

Maple City Market's Board of Directors has long begun each meeting by reading our ends statements.

## **MCM Ends Statement**

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.*

While I have always found the practice of reading these statements a grounding way to start our meetings, this year, these statements have taken on greater significance. In times of hardship and upheaval, meditating upon and finding strength in the values and mission statements you have committed yourself to is steadying.

As a board, I believe we have also found it easier to connect with the reality of these statements this year, especially the introduction to our ends, which say, "because of Maple City Market, there will be a healthy community..."

Maple City Market has done things this year that we wouldn't have fathomed in the past putting up protective plexiglass at the checkouts, stopping the reusable bag program for a time, mandating masks, spinning up an online ordering program on a dime, and the list goes on. These new policies and procedures haven't always been easy or popular, but when we reflect on our ends, it's clear that they are right for our store and we are living our values.

The Maple City Market Board of Directors is responsible for creating, amending, and ensuring that we are working toward our ends as well as the other policies that we have committed to. To do the work to get there, we have our store operations, headed up by our General Manager, Brad Alstrom. Brad is the board's one connection to the operations in the store—he hires staff and sets store hours and decides when we need plexiglass at checkouts. This year, Brad has navigated rough waters, and, today, the store is in a financially healthy position as a result. A heartfelt "thank you" is due to Brad and every MCM staff member that has been with us during this pandemic.

Finally, I would be remiss not to mention the two board members who will be leaving us this year. Phyllis Miller has served three, three-year terms on the

board, and she has been instrumental in the functioning and team cohesion of our group. She has served in every executive role on the board, from Secretary to Vice Chair to Chair. Thank you for your time, talent, and treasure, friend!

Denise Diener joined the board just last year, but due to the pandemic's effect on her responsibilities at work — Denise works in Goshen Community Schools

— she put in her resignation in August. While Denise's time on the board was short, her contribution is much appreciated.

Board service is not always easy, this year has shown us that, but I have found that it is always rewarding. Thank you to any MCM member who has previously served, and, if you're thinking about

stepping up in the future, we would love to hear from you!



Chris and Petra guard the front entrance for mask outlaws.

# General Manager's Report

By *Brad Alstrom*

Thank you to everyone who helps make Maple City Market the fun and fresh co-op grocery it is! Our vendors, customers, co-op members, board members, and staff members all play a part in making our co-op a successful community-owned business. Typically, we publish our annual report in May or June, but with the demands of the pandemic, we decided to delay a few months. So here we are in September, reporting on the previous year which feels like a long time ago! This report will also touch on the first two quarters of 2020 as we look ahead to the coming year.

## 2019 Retrospective

2019 sales were \$2,107,138, a 3.8% increase over 2018. We grew slightly faster than natural product retailers nationwide, which grew at 3.2%, but slower than our 2018 growth rate of 15.5%. Frozen, Meat, Produce & Cheese departments were our biggest growth drivers.

In October of last year, National Co-op Grocers (our national co-op of food co-ops) performed an operational audit at our request to help us find ways to improve our operations. The audit team included two NCG staff members, plus three co-op General Managers from Bloomington, Champaign-Urbana,

and Minneapolis. The audit found three key areas for improvement: (1) build leadership team capacity; (2) step up our signage and branding; and (3) install new grocery shelving.

Several capital improvement projects were completed in 2019. We installed a new sidewalk and curb in front of the store, as well as a new patio railing to create a more inviting outdoor dining space. On the interior of the store we opened up the original glass block windows above the bulk section. The biggest improvement was the installation of belted cash register lanes, which has greatly improved our ability to serve our customers at check out.

## 2020 Update

This year has, of course, been unlike any other. The onset of the pandemic drove several changes to our operations. Customers shifted their food spending



away from eating out, while also reducing the number of channels where they did their grocery shopping. These changes in customer shopping patterns dramatically increased our average basket size while decreasing our customer count.

The first two quarters of 2020 have shown sales growth of 15.4%. This peaked at the outset of the pandemic, when weekly growth rates exceeded 50%. Our “pantry departments” have been the primary growth drivers, including frozen, produce, meat, refrigerated, bread, and packaged groceries. Other departments, including prepared foods, in-house bakery, supplements and body care, saw declines.

Our 2020 capital improvement plans include replacing all of our grocery shelving, replacing the refrigerated display case on the south wall, installing a new exterior sign on the front of the store, and improvements to our parking lot. These plans are delayed

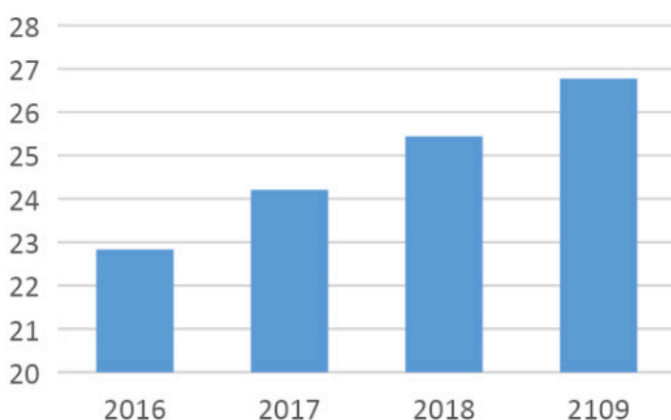
for the time being, but they are still on our list for future improvements!

## Local Vendors

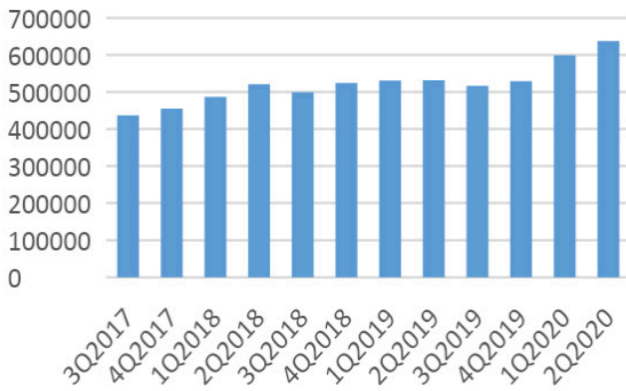
Local farmers and producers continue to be the backbone of our business model. An estimated 22% of our sales are from locally & regionally produced products. In 2019 we introduced several new local vendors, including Fischer Farms Natural Meats, Crystal Springs Creamery, Moonlight Dairy, Beachler’s Sugar Bush, Crossroads Kombucha, Guac & Squat, El Popo Tortillas, Circle Kombucha, and Crossroads Kombucha. In 2020 we were pleased to include Singletree Farm, Blackberry Acres, Greenbridge Growers, Restoration Farm, Mother Comfrey Herbals, Electric Brew, and Goshen Brewing Co.

Some of our other best-selling local and regional vendors include: Clay Bottom Farm, Sustainable Greens, Horn of Plenty Co-op, Ridge Lane Farm, Alive Aquaponics, Kercher’s Sunrise Orchards, Miller Poultry, Jake’s Country Meats, Yoder’s Meats, Sunshine Acres Poultry, John’s Butcher Shop, Springside Eggs, Robinson Duck Eggs, Heritage Ridge Creamery, Capriole Cheese, Tulip Tree Creamery, Farming for Life, Presto Kombucha, Fish Lake Organics, Hannar’s Apiaries, Raw Sustainable Living, Naturavilla Herbal, Nutritional Resources, Skin Psalm, Sundance Botanicals, Heather Horst, and Soapy Gnome.

Average \$ Basket Size



### Quarterly Sales

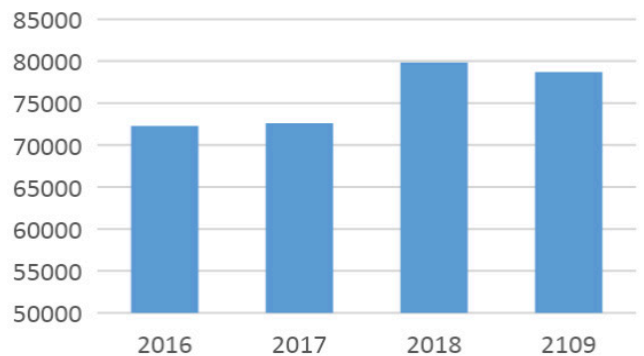


2020 has brought not only increases in sales revenue, but also in gross margin, which increased to 37.7% at mid-year. In May 2020, the co-op successfully applied for a \$91k federal Payroll Protection Program forgivable loan. Combined with operating gains, the co-op ended the 2nd quarter with \$250k, or 30-days cash on hand. This puts the co-op in a strong cash position as we potentially find ourselves heading toward a sustained economic downturn.

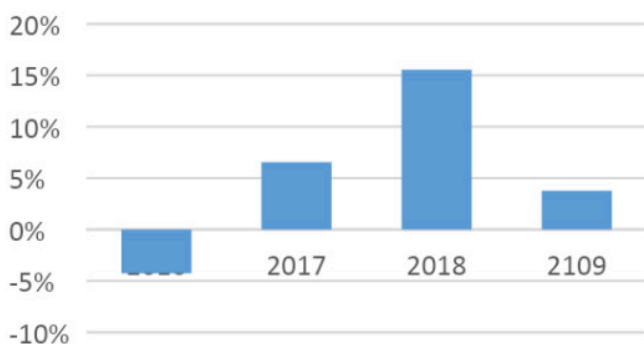
### Co-op Finances

The co-op experienced mixed financial performance for the 2019 fiscal year. We saw a small improvement in our gross margin from 35.5% to 35.8%. Personnel expenses dropped from 24.3% to 23.4% of sales. With other expenses under control, we achieved a year-end net profit of 1.0%. We ended 2019 with \$42k cash, equivalent to 7-days cash on hand.

### Customer Count



### % Sales Growth



### Co-op Membership

In 2019, the co-op added 142 new co-op members and over \$12,000 in new member equity. Our active member count (those who made purchases in the past year) was 2,099. Member purchases accounted for 76% of all purchases. On average, our shoppers put \$27 of groceries in their basket on each visit. Thank you, co-op members!

## Co-op as Employer

In 2019 we focused our attention on building organizational capacity. We built a new management team. We improved systems throughout the store. We drove up our productivity (as measure in sales per labor hour) from \$67 to \$74. Our 1st-year hourly full-time wage rate increased from \$11.24 to \$11.79, and our average hourly wage rate increased from \$12.95 to \$13.81. We ended 2019 with 23 employees, including 11 full-time and 12 part-time. Our turnover rate was 30% in 2019.

In 2020 (thru 2nd quarter) we've bumped up productivity to \$86/hour. We increased our average hourly wage rate to \$15.88/hour, which includes a \$2/hour Hazard Pay differential that remains in effect today. Staff turnover has been low at 11%. Average tenure at the co-op is 2.8 years. Three employees have worked at the Co-op for at least 5-years (as indicated by \* below).

## 2020 Co-op Board of Directors

**Amanda Qualls, Board Chair 2015-2021**

**Sherrilyn Kirchner, Vice-Chair, appointed Sept 2019**

**Phyllis Miller, Secretary, 2011--2020**

**Darin Short 2018-2021**

**Mark Seeley, 2018-2021**

**Rose Shetler, 2019-2022**

**Denise Diener, 2019-2022**

**Clayton Miller, 2019-2022**

## Co-op Staff & Management

**Amanda Guzman**

**Bekah Schrag**

**Brad Alstrom**

**Christine De La Fuente**

**Christopher Horst**

**Daniel Schlabach**

**David Guevara**

**Erin Floyd**

**Greg Imbur \***

**Gretchen Krause**

**Jillian Hoover**

**Kami Barhydt**

**Leah Garboden**

**Matt Lind**

**Mattie Lehman**

**Neil Rippey**

**Petra Showalter**

**Rhonda Parkhurst \***

**Sarah Bender**

**Tristan Beechy-King \***

**Victoria Moore**

