



This year the Moscow Food Co-op celebrates its 30th anniversary. Three decades ago, the Moscow Food Co-op was started to bring natural foods to the Palouse, and in 2003, we celebrate 30 years of being in business against all odds. There were many times in the past when it would have made sense to close the doors, pack it in, and go away quietly. But we didn't. We hung in there and focused on achieving the dream of being

a local market that not only sells wholesome food but also provides a daily opportunity to build and to celebrate community.

This past year we actualized some of our long held dreams of giving back to our community in a concrete, tangible way: by giving 2% of sales from every Tuesday to organizations that hold similar values; by being an employer with over 40 permanent staff; and by taking an active role in providing education on tough issues like biotechnology and ground water supplies.

The Co-operative has been providing the Palouse with natural and organic foods for over 30 years but together we have also contributed to something deeper and more meaningful: an increased sense of community. None of this would have been possible without the on-going support of you, the owners. By shopping at the Co-op not only do you directly invest dollars into our store, but by shopping locally you are also contributing to creating a more sustainable economy for the community we live in.

Lets keep up the good work!

"...being a local market that not only sells wholesome food but also provides a daily opportunity to build and to celebrate community."



Newspaper clipping of the Good Food Store opening, September 1973.



Mardi Gras parade entry, circa 1985.



David Cook, the Co-op's first general manager and Carolyn Young, circa 1983.

1973: Rod Davis, Jim Eagen, Katie and Dave Mosel open the Good Food Store on Second Street.

1978: Store moves to 314 S. Washington



1974: The Co-op incorporates

1975: Store moves to South Main and officially becomes Moscow Food Co-op

From the board...

Mission Statement:

The mission of the Moscow Food Co-op is to provide food and other products that are reasonably priced, locally and/or organically grown and consciously selected for healthful consequences to both the consumer and the environment. The Moscow Food Co-op provides an information network that fosters progressive social, political and ecological change. The Co-op strives to provide a sense of community for its constituency and right livelihood for its staff. Our goal is to continue these services.

Greetings everyone.

As you already know, this year is our 30th anniversary, and it has been a wonderful year for our Co-op. We have continued to see increased growth both financially and in our membership despite increased competition, and a struggling economy. According to a recent business study of Moscow, we are the number one reason people come to the downtown area year-round.

In 2002, we made the purchase of the new cash register system. Other than making day-to-day operations simpler this technology will ultimately allow us to offer patronage refunds. The third principle of cooperatives states that members can allocate surpluses "benefiting members in proportion to their transactions with the cooperative."

During our 2002 board retreat we decided that increased community outreach and member retention was of vital importance to the Co-op. Several significant events happened over the year to address this issue. The 2% Tuesdays program, which donates 2% of the store's sales to a local community group that supports the Co-op's mission statement, functioned successfully and continues to do so today. In addition, we started a new program called Dinner with the Directors. Here we invite 20 Co-op members to dinner and have a facilitated discussion regarding a topic of importance to the membership. This allows us as a board to gather input and see new ideas from you the members. The topic of the first dinner was Building a Sense of Community and the second, The Co-op's Values - Are We Actualizing Them?

As you already know, the Board's role is not to manage the operations of the store. We are here to direct long term visioning and keep a connection between the members and this vision. At this year's retreat, we again felt that outreach and marketing of the Co-op to the community was one of our most immediate goals. We hope to see continued programs offered to bring existing and new members into our Co-op community.

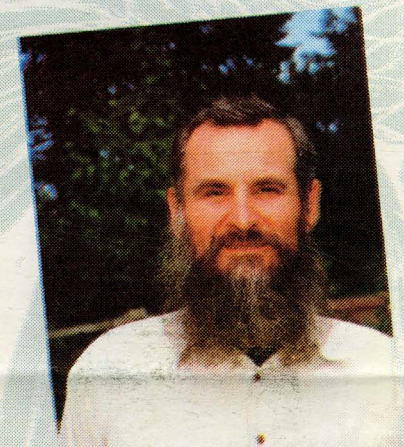
Thank you for this opportunity. I always welcome your input in building our cooperative together.

Mike Forbes

Chair, Moscow Food Co-op Board of Directors, 2003

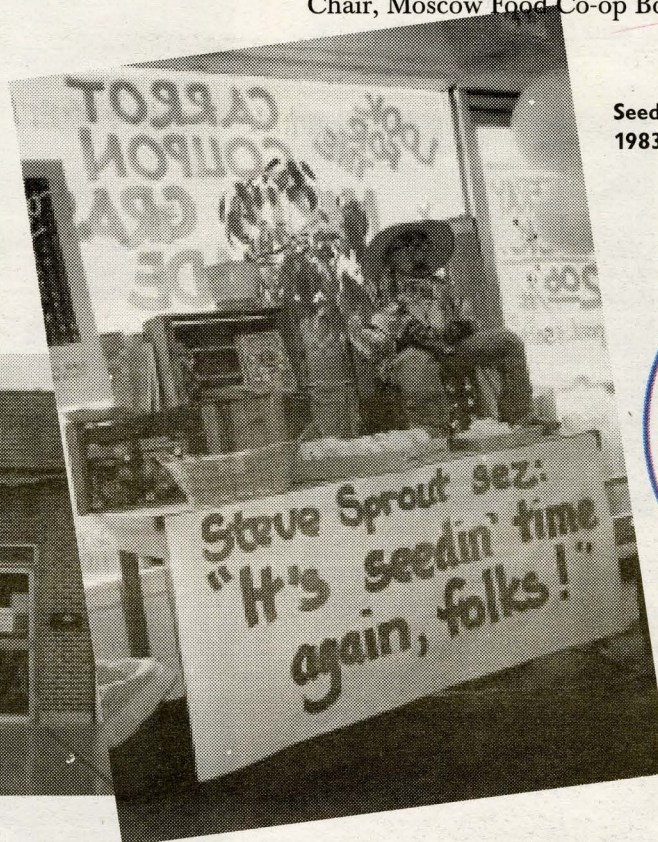


Al Pingree, Board member and Kenna Eaton, General Manager, 2002.

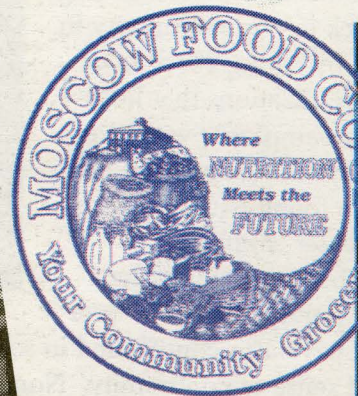


Our own Bill London, since 1984, the volunteer editor of our newsletter, the *Community News*.

Seed display, Spring 1983.



Co-op storefront at 314 S. Washington, Winter 1983.



1985: New management system adopted

1989: Co-op moves to 310 W. Third, sales increase by 40%

1991: Annual holiday bazaar started

Moscow Food Co-op

[the timeline]

1980-90s

1986: Members help Co-op survive financial difficulties

1990: Co-op opens Upper Crust Bakery

Ties that Bind

Sociologists organize places in which people live and gather in a three-level hierarchy. A person's first place is his or her home; the workplace, their second; and third places are where people gather as a community, such as a bookstore, hair salons, or in our case, the Moscow Food Co-op. Third places are essential to a community—they create a sense of place, identity, and civic pride; they promote companionship and sociability. They enrich life.

The Food Co-op is one of Moscow's premier third places: a home away from home where people of all backgrounds gather comfortably and are free to be themselves. It is a place that accommodates all but is significant to each for reasons all their own. Some people patronize the Co-op because they believe in its mission; others are drawn to its doors knowing that an Oatie, warm and pliant, awaits them. Still others return to the Co-op—sometimes daily—simply to soak up the good vibrations, unwind, and talk.

For Eva Jo Hallvik, the Food Co-op is a "lifeline." She explains, "I buy only organic food and I like food that's raw, not over-processed or over-packaged. I believe in [the Food Co-op's] operation as a membership cooperative. Socially, it's the best way to do business – as a lifeline."

Former Board of Directors member Mimi Pengilly also values the philosophy that underlies the Food Co-op. "I believe the local organic products, bulk buying, and consumer involvement in nutrition the Co-op

The [Moscow] Food Co-op...a home away from home where people of all backgrounds gather comfortably...

promotes is the way of the future." And perhaps no one more succinctly addresses the Co-op's mission than Bill London: "The Moscow Food Co-op is an oasis of hope in the agribusiness desert that is American food retailing, a place where we can really support the local alternative to corporate plastic food and enjoy the pleasure of an interdependent community."

Community is what Pam Becwar finds at the Co-op. "The Co-op has a real sense of community about it. I mean, I can come in to pick up a few

things, or I might hang out and read the paper. You can't come in here without seeing someone you know."

Others also value the Co-op's inviting environment and darn good food. Jim Spangler says the Moscow Food Co-op is "different than any store in Moscow; it is very unique, and I love the way it smells when I walk in the door." Sheila Guernsey explains what the Moscow Food Co-op means to her: "A cool bottle of water on a hot

summer day; a yummy macaroon on a cold winter walk; a warm loaf of fresh baked bread—my gosh, it's delicious—vitamins, minerals, gifts galore! Friendly staff and fresh flowers near the checkout stands."

For all these reasons and more, the Moscow Food Co-op is a third place, and as one, the Co-op serves not just its members, but all the citizens of the Palouse region as well. The sense of identity it bestows deepens the connection to the place we call home and to each other. The Moscow Food Co-op symbolizes these ties that bind.

Staffing:

The Co-op currently employs about 50 employees; 13 fulltime (30hrs or more /week), 37 part time. Wages for staff totaled \$423,968 in 2001, not including health benefits.

The Co-op also thrives because of help from our members, who volunteer their services to the Co-op in return for a discount on their purchases. In 2001 the Co-op gave out \$60,047 in discounts to members, volunteers and staff.

Facilities:

Co-op holds a 7-year lease with an option to renew for 5 years. Over 7,000 sq ft with 5,500 retail space.

Structure and Organization:

The Members elect a 7-member Board of Directors by ballot for 3-year terms. The BOD hires the General Manager who is responsible for daily operations. The Board is responsible for long range visioning and planning.



above left: Ed Clark, baker, moves in a cooler.

below left: 20th Anniversary party, 1993.

above: Alissa, barista at the Co-op's outdoor espresso and juice bar, circa 1997.

right: Lee Anne Witzel at the juice bar.

1993: 20th Anniversary

1999: Co-op moves to 221 E. Third Street; sales increase by 38%

Moscow Food Co-op

[the timeline]

1980-90s

1992: Staff increases to 20 and sales break \$100,000

1998: 25th Anniversary; first Taste Fair

The financial picture

Money In, Money Out

	2002	2001
Sales	\$2,561,200	2,176,381
Cost of Good sold	\$1,549,086	1,287,505
Gross Profit Margin	\$957,468	846,103
Payroll	\$628,014	495,854
Operations Expense	\$332,700	495,854
Total Expenses	\$960,714	770,055

The Co-op depends on the sale of products to support its expenses, and any profit we make goes right back into keeping the business flowing (and growing!).

Balance Sheet

	2002	2001
Current Assets	\$266,744	265,796
Property & Equipment	\$215,540	186,581
	\$482,284	\$452,376
Liabilities	\$242,318	190,737
Capital	\$239,966	261,639
	\$482,284	\$452,376

The balance sheet reflects the strength of an organization. The current assets show the "liquid" accounts: checking, savings, inventory, etc. plus the equipment we own. The liabilities reflect the debt we carry, and the capital is member investments plus any retained profits.



left, from top:
The staff, 2001.

Scott Meyers, BCR Beef at a Co-op Taste Fair, 2000.

Laura Long at the BBQ, September 2000.

Kelly Kingsland making pizza, 1998.



Moscow Food Co-op

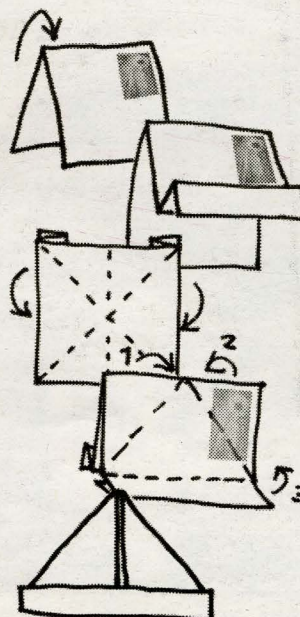
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The Co-op Annual Report Hat:

- Leave folded in half.
- Fold edges up as shown, both sides.
- Leaving edges folded, open and fold on the diagonals on the wrong side. Open back up.
- Fold in half again, open edge and fold the corners in as shown (1 & 2). Tuck the edge back up to hold in the corners (3).
- Wear your hat and enjoy!

2000: Indoor seating area for Deli added

2002: 2% Tuesdays grant program starts



2001: Partners with other co-ops

2003: 30th Anniversary!