

FALL 2017 | FREE

grassroots

A QUARTERLY PUBLICATION FROM PEOPLE'S FOOD CO-OP



**A PASSIONATE
COMMUNITY
WORKING TOGETHER**

for **SUSTAINABILITY,**

PROGRESSIVE *Land & Animal* STEWARDSHIP

**HUMAN RIGHTS, SOCIAL & ECONOMIC
»JUSTICE«**

**THRIVING AND LOCAL ECONOMIES.
COOPERATIVE**

A SAFE Welcoming **COMMUNITY**

WHERE ALL ARE VALUED.

..... **A**

DEMOCRATIC WORKPLACE

WHERE ALL *Voices* **ARE VALUED.**
WORKERS

ACCESS TO HEALTHFUL FOODS

**OUR CUSTOMERS CAN
TRUST.**

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People's Ends Statement, adopted by the Board of Directors in 2007, guides the goals and values of the day to day operations of People's Food Co-op.

people's
FOOD CO-OP



Miles!
 thank you for 22 years
 of dedicated care for
 this Co-op & this community!
 (& a whole lot of laughs, too)
 * We'll miss you! We love
 you! & Food Front is ^{so} _{as} ^{so}
 * lucky to have you as
 their new General
 * Manager. *
 Yours, ♡ people's ♡
 (oo)



October is CO-OP MONTH!

INVEST IN THE CO-OP!

Invest \$15+

Get an Equal Exchange
Chocolate Bar!

Invest \$30+

Chocolate + a People's Tea
Towel designed by local
artist Subin Yang!

Invest \$60+

Chocolate + Tea Towel +
a Chinook Book!

AND!

- ✦ The first 50 folks that make an investment in their share get a free bottle of co-op grown & made La Riojana Olive Oil!
- ✦ Every Sunday in October, we'll have a really awesome raffle for everyone that made an investment in a share that week!
- ✦ Bring a friend, get \$10! Pass the Bring a Friend postcard in this issue to a friend who should probably be a Member-Owner. If they do become a Member-Owner, you both get \$10 gift cards!
- ✦ For the week of October 8-14, we're having a super special Member-Owners only sale of a bunch of staff favorites! It's our Staff Pick Sale and our gift to you.
- ✦ Sunday, October 22 is 10% Off Day! 10% off everything for everyone!
- ✦ Check out more special Co-op Month events on the calendar in the back of this issue.

People's is special. In an industry aiming to squeeze every dollar out of every customer, our goals are a little different. We're here to serve our community great food grown in a way that's environmentally sustainable and cares for the land and the people that grew it, while working to find prices that work for producer and consumer. We're here to cultivate a passionate community and to talk about the values that bring us to this particular food store.

We do all of that because of our Member-Owners: folks who care about what we're doing together and want to see this place thrive. Investments from Member-Owners are what help us take care of this building, invest in new equipment and programs, and are positioning us to grow our Co-op and our impact with the long-term plan.

Becoming a Member-Owner is very easy and, during Co-op Month, making an investment is super fun!

...

The full price of a share in the Co-op is \$180, but Member-Owners get all the benefits of membership as soon as they invest in the Co-op. Member-Owners can actually invest up to \$300, so if you're already at \$180 and want to support the Co-op a little extra you can still get this year's great incentives.



The Seven Cooperative Principles, as Told By a Nerd

BY SONRISA ALTER, STOREKEEPER & CO-MANAGER

Photo by Amanita Stewart-Kennett

Hello, I'm a co-op nerd. Co-ops play a role in my family history and my childhood, and I've been deeply enmeshed in co-ops throughout my (admittedly brief) adult life. October is Co-op Month – a national celebration since 1964! – which means I have some official validation for airing my enthusiasm.

If I'm going convey to someone why I care about co-ops, I like to talk about what makes one. Most modern co-ops, including People's, align with seven shared principles. The current version of the cooperative principles was adopted in 1995 by the International Cooperative Alliance (ICA).

These principles are based on ones written by the Rochdale Society of Equitable Pioneers, founded in 1844 in Rochdale, England. The Rochdale Society did not, by any means, originate these ideals – white men did not invent co-ops in 1844. Due to western-centric history, I know the name of the Rochdale Society, but I don't know the names of the people and groups who make up the history of cooperation in indigenous communities and communities of color. I do know not to relate to the history that's most available to me as fact, and I have a sense of who and what it erases.

With an understanding that these principles are just one expression of a vast cooperative history containing millions more stories than I know, I'd like to give them some attention. When my field of vision narrows to the particular undulations that make up Peoples, I am grateful to remember our roots in a wider cooperative movement, and why it matters to me.

1. Voluntary and Open Membership

Anyone can join People's, and Member-Owners can sell their share back to the Co-op at will.

Why it matters:

Everybody deserves the benefits that come from individuals uniting as a cooperative. Moreover, People's recognizes that offering truly voluntary membership requires confronting the structural barriers – like white supremacy and ableism – that impede many community members' access to co-op membership. The principle of Voluntary and Open Membership tasks us with addressing the historical and ongoing violence that prevents people of color, indigenous people, people with low or no income, disabled people, and immigrants from exercising their right to co-own our co-op.

2. Democratic Member Control

People's is governed by an all-member Board of Directors, elected by and accountable to the membership. (The Collective Management also elects one staff director to the Board, who must also be a Member-Owner, and is accountable to the membership.)

The Board sets policies that define what benefit and value the Co-op should produce, and what unacceptable actions and situations our Co-op should avoid.

These policies provide a framework within which the Collective Management – made up of the majority of People's staff and itself a democratic body using consensus – manages the operations of the Co-op.

Fun fact: Community ownership is fundamental to food co-ops, but collective management is rare! Out of over 100 food co-ops in the United States, only a handful – including People's and the Alberta Co-op – have a collective management structure rather than a general manager.

Why it matters:

In a world where a few people hold a lot of power, it's radical for an organization to be controlled by the thousands of people who use and comprise it.

3. Member Economic Participation

At People's, all Member-Owners invest in the Co-op, and this capital is democratically controlled. Each year, the Board of Directors assesses how much of People's profit to retain for developing the Co-op, and whether and how much to refund to individual members as patronage dividends.

Why it matters:

Member Economic Participation makes co-ops literally community-owned. When you "follow the money" here, the money goes back to all of us. We're not beholden to remote investors seeking personal wealth – our capital is used to meet our collective needs, and, when we have extra to go around, to modestly benefit us as individuals.

4. Autonomy & Independence

The ICA's statement on cooperative identity says, "If [co-ops] enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy." This principle further grounds us in community ownership and community benefit. When, for example, People's takes out bank loans to support development projects, the principle of Autonomy and Independence clarifies that we remain accountable to our members – not our debt holders.

Why it matters:

This principle provides a framework for co-ops to maintain integrity while interfacing with organizations that don't necessarily abide by the cooperative principles.

5. Education, Training, & Information

With their members and staff, co-ops offer training to help us all build skills we can use to participate effectively in the co-op. With the surrounding community, co-ops serve as a source of information about the purpose and benefits of cooperation.

One piece of the People's Ends Statement is "a democratic workplace where all workers' voices are valued." Our democratic workplace distributes institutional knowledge and opportunities to develop job skills broadly among staff. Through our unique Hands-On-Owner program, Member-Owners can learn how to help run the Co-op, too. People's also offers public education through classes and events in the Community Room, information about our products and preparation in the store, and publications like Grassroots.

Why it matters:

Cooperatives are about more than just saving money – they're also a vehicle for us to holistically improve our lives. Part of the rationale for consensus (a decision-making model used by the Board and Collective Management at People's) is that no one knows everything, and together we know a lot. We cooperate not just to pool our financial resources, but also to pool and share our knowledge, taking full advantage of everything we know together.

6. Cooperation Among Cooperatives

Co-ops rely on each other to multiply their impact, which People's expresses in our End of "Thriving cooperative and local economies." People's works with other co-ops whenever possible – banking with a credit union, sourcing products made by co-ops (like Our Table and Equal Exchange), and making regular donations to co-op related organizations (last year, we donated to the Federation of Southern Cooperatives Land Assistance Fund and The Working World).

People's also collaborates with other grocery co-ops through National Cooperative Grocers, a "meta" co-op whose members are 148 retail food co-ops across the country. Together, NCG member co-ops strengthen our purchasing power (which facilitates many of the best deals at People's!) and share operational resources – like learning from each other's experiences of expanding, restructuring, or surviving through competition.

Why it matters:

Singular co-ops benefit their members and immediate community, but cooperation among cooperatives fosters a cooperative movement(!) that can improve quality of life and support self-determination everywhere.

7. Concern for Community

The principle of Concern for Community grounds co-ops in a purpose beyond the scope of benefitting their membership, and even beyond strengthening the cooperative movement. Co-ops exist to do good.

The People's End of "A safe, welcoming community where all are valued" speaks to our desire for this store to be for everyone. Anyone can share our space, member or not, buying things or not – we're not just here to make money or even exclusively to serve Member-Owners, but to extend compassion and care to all.

Further, our End of "Progressive land and animal stewardship, human rights, social and economic justice" establishes the pursuit of justice as fundamental to our work as a cooperative. "What is just?" factors into each action our staff takes, from product selection to customer service, and strongly guides our approach to the possibility of opening a store in a new neighborhood. Together (thanks to donations from all of us!), People's also supports community organizations – like the Portland chapter of Black Lives Matter, The Water Protector Legal Collective at Standing Rock, and the Sankofa Collective – who share the goal and responsibility of creating a more just world.

Why it matters:

Isn't this the fundamental, most-mattering thing? Co-ops matter because safety and justice for all beings *matters* to co-ops. 🌱



People's Buying Guidelines

Our Strength & Growing Edge

BY CAITLIN GAYLORD CHURCHILL, PERISHABLE & DAIRY BUYER AND CO-MANAGER

Photo by Holly Myers

As a young one coming up I got converted to the cult of the farmer. I did my tour of duty in the mellow learning gardens of a Scottish commune. To weed and harvest is not my lot in life but I am in love with the soil and all it produces. When I couldn't shut up about a poorly cooked dish of runner beans I knew I had to get out of the field and into the kitchen. Once there I was able to take care of the vegetables that were so lovingly grown and spin them into that alchemical magic known as lunch. Now, I cannot partake of food and not think of the hands that touch it, the field it grew in, the animal it came from, or the farmers who grew it, and how their vegetables aren't subsidized but genetically modified corn is.

Our buying guidelines function as a concrete example of our values: they attempt to uphold a standard of respect for farmers, animals, workers, and land. That's why I shop at People's and why I work here. These guidelines create a type of safety for the consumer who is concerned about eating vegetarian, GMO-free foods that are as locally sourced as possible. By that same logic however, our guidelines create a price image and way of shopping that can be confusing at best and exclusionary at worst. We try to make the food that we sell accessible to more folks in a few ways – we offer the Food For All discount for folks that need it, have Double Up Food Bucks at the Farmers' Market, and work to price staples competitively through our Co-op Basics. But the simple truth is that the food that fits into our guidelines is often times more expensive.

To explore this I'm going to walk through each of our buying guidelines and attempt to show a rounded picture of each. My own opinions are featured largely – this is not objective by any means, nor representative of our entire team of buyers – and I

hope that if you disagree with me you'll be able to connect to that passionate feeling and bring it to the Co-op by talking to staff, the Board, or even having conversations with other members. We need to eat to live, and the values we build around food are deeply personal while simultaneously reflecting the problems and quandaries of all humans.

Organically Grown

While People's occasionally sells non-organic produce, it's usually either wildcrafted or from a farm in too precarious of a position to obtain the USDA organic certification. If the produce was selected by our buyers, I trust it to be nutritious and healthy regardless of its certification. In other departments, organic is the norm as well.

Organic food has a higher cost than conventionally grown produce, and locally grown food wildly fluctuates with the seasons. I've seen lovely green beans go from \$1.99 to \$6.99 a pound. "Looks like I'm making frozen peas," I said when I saw that price jump. These outliers can contribute to an important metric known as our price image. A price image is the how much the items in a store are perceived to cost by the consumers. When you think of buying shoes on 5th Avenue versus in a mini mall, you'll have a different price image for each location. Similarly, People's has a price image in the mind of its members and the local community. If you're out to shop for only organic and local produce, often you can get it from People's for less than at other stores. However, if you want a bargain or lots of ready made foods – you're out of luck. For many people, buying a sandwich and raw treat out of our grab'n'go cooler every day would quickly destroy their weekly food budget.

There are ways in which our selection of foods, being largely

organic and having a higher price point, are exclusionary to people with world views and incomes different from mine. I want to work somewhere where customers don't have to put things back when they realize how expensive they are. While there are systemic reasons for why food, especially whole foods, are so expensive, I believe that expanding our selection to include more affordable options is vital not only to our long term survival as a store but also to the survival of our community. How to do this while staying in line with our values is a quandary. Do I want vegetables that have been sprayed on our shelves? Not at all. Is there a way for us to bring down our price image and become more accessible while staying in line with our values? Let's find out.

Vegetarian Ingredients

People's doesn't sell meat or animal byproducts of slaughter – even our cheese can only contain vegetarian rennet. The only exception to this policy is pet food. Having an all vegetarian co-op at the vote of its membership is radical – it creates a place where vegetarians and vegans can find the food they enjoy and need and omnivores can explore the glory of veggies and non-meat options. By not selling meat, People's votes with its dollar against the meat industry and creates an environment of support for people who find their protein elsewhere.

Even knowing all of this – many People's shoppers eat meat. The membership voted that meat could be sold at the Farmers' Market, and in a survey of Member-Owners, very few use People's as their primary store. While we do not carry products that contain the byproducts of slaughtered animals, milk and dairy are industries that inextricably bound to the slaughter of animals. Veal is a byproduct of the dairy industry. In the egg industry, male chicks are routinely slaughtered shortly after birth as they cannot be layers. Those baby chicks are turned into a bone and feather meal which ends up feeding the soil on many organic farms.

My personal belief system is that there is no purity, there is no downstream and that all life is paid for in blood. The cheap gasoline that got me to work today, the milk in the kefir I drank, the egg in my bagel sandwich – all of these things came at cost in animal and human life. As the dairy buyer I feel that because we sell milk, we're already in the meat business.

Having a vegetarian store is a radical act – one that for many firmly makes us who we are. For many of my formerly vegan friends the change for them came as part of their exploration into local foods. "Why would I cook with coconut when my friends had a cow and chickens down the street?" one farmer friend relayed to me. I like that People's is a space where vegan people

can have access to the food they enjoy and are nourishing. I don't like that I heard our largest selling items contain coconut. But would I shop at a store that didn't sell bananas and avocados? Where do my morals and my shopping habits diverge and how does this mirror that of our membership? I had a coconut water on the beach just the other day – it was delicious.

GMOs

Genetically Modified Organisms were created as a part of the "green revolution" to create crops that were hardy and more reliably productive. Bred in labs by agri-giant corporations, these plants were created to not die when sprayed with herbicides. The dream of the scientists doing this work was to end hunger on a global scale. However, that dream is also tied to the copywriting of various living things. For me, the most frightening aspect of GMOs is the way in which these corporations are attempting to control their product share by making saving seed from their plants illegal or working to create ways to destroy a plant's ability to make seed. That these genes could cross pollinate with non-GMO crops and destroy a plant's reproductive function is as terrifying as it is irresponsible.

A popular counter argument in the discussion of GMOs is that negative affects to humans from consumption are not proven. I think this is beside the point – the effect that agri-giants have on farmers and that GMOs have on the environment via the use of pesticides and petrochemicals is enough for me to draw the line. I can't speak to the opinion of the staff or membership at People's, but I feel that why don't carry GMOs is tied up in the ethics of the commons. These organisms and the companies that make them have far reaching and negative effects on workers, farmers, other plants and the integrity of the soil. Companies like Monsanto are attempting to patent the unownable and the unmakeable: plants and their genetic code. These belong to no one, and I refuse to acknowledge any claims of ownership on these basic components of life.

There are various foods we sell where environmental and worker concerns come up and we take them off the shelf. GMOs are an easy mark for our discerning eye – but what about the things we like to eat that are not locally grown or easy to verify as ethically sourced?

Low Packaging

It's frustrating to me how much packaging there is in the world. Buying in bulk is a great way to reduce not only packaging but waste in general. I use way more black pepper than oregano, so I'll buy them in different amounts instead of in a standard format

“While there are systemic reasons for why food, especially whole foods, are so expensive, I believe that expanding our selection to include more affordable options is vital not only to our long-term survival as a store but to also to the survival of our community.”



Photo by Holly Myers

size. Using less packaging helps reduce waste in multiple ways: less petroleum used to make plastic packaging, less petroleum used to ship the extra weight of containers, less petroleum in a landfill ruining everything.

How could encouraging shoppers to use less packaging be bad? There's a lot of thought that goes into bringing your bags and containers to the store – first you have to know what you want, what you use, and of course how to cook! Cooking is a skill that people are investing less time in because our culture and because capitalism is so out of control. There are multiple ways that systemic oppression limits people's access to whole foods and not having the time or resources to cook is one of them. I feel that if the Co-op is going to continue to flourish, it will mean educating new shoppers on how to shop in bulk and cook with whole foods in ways that are accessible to people whose time is dominated by work and family obligations. I'm a chef and I still struggle to find the time and the will to cook for myself!

Conclusions

I'm not advocating that we change our guidelines. I love working here and I don't want to work for a store that's less aligned with my values. I just have to throw up my hands and admit that my values keep poor people, families, and people with different political views from getting food at this store. Because at my core I am a feeder, this realization bothers me. In the face of the Death Star that is both Capitalism and the competitive grocery business in Portland, I would like to see us have more affordable options, more ready to eat options, and of course, more space and bigger carts.

As a shopper at the Co-op I've adapted – I eat way less curry cashews for one, and way more cabbage, potatoes, and fruit in season. I've discovered those little sesame sticks (#766 – under the baked goods – I recommend as an affordable snack). My own fridge has become a jumble of my CSA and foods from Trader Joe's. I've spoken to several of my co-workers about plans to not buy things at the store, to bring your own lunch, to save money. Here I am loading the shelf with \$11 goat milk, which costs that much while the farmer barely breaks even, and then I go home to dairy products I bought somewhere cheaper. Our store is not a one stop shop – some people do full and detailed shops here but many people come here for one or two things they can't get elsewhere. The majority of people who shop at the Co-op, even some staff, do not use it as their primary grocery store.

Food For All, Double Up Food Bucks, and Co-op Basics are great starts towards a more accessible product selection. In moving toward expansion, the issues of how best to stay in line with our values while serving not only our current membership but future possible customers and a changing Portland will continue to be a critical conversation. We'll need to grow those programs and get more innovative in order to make sure that the food that we sell really is for everyone.

Our guidelines make us a unique haven for people who want to eat whole vegetarian food and fancy chocolate bars. But if I – a chef with deeply entrenched views on GMOs – cannot use my own Co-op as my primary food destination, I wonder how we can make ourselves more accessible as a food store. Because at our root and in our hearts, we're here to nourish people with food. 🌱

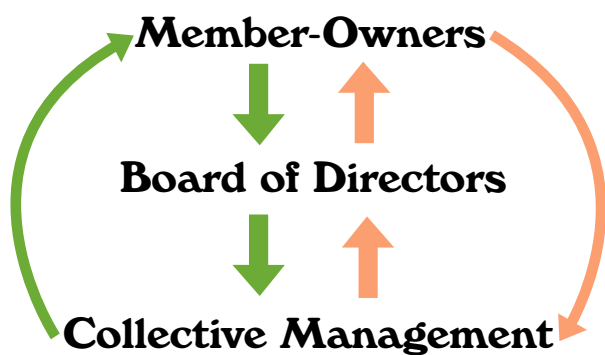
What Does the Board Do, Anyway?

BY HEIDI OLEJNIK, FORMER BOARD MEMBER

Ever wonder exactly what your People's Board of Directors really does? Have you found yourself wondering how the Board fits into the Long Term Planning process? I hope this article may shed some light on this topic.

Let me first review the basic People's Board structure and purpose. The People's Member-Ownership have delegated responsibility for the Co-op to our nine person, all-volunteer Board, who in turn delegate store operations to the Collective Management. Directors meet once a month to go over reports from the management, analyze the Co-op's financial health, and discuss how to meet the needs of our community. We also attend workshops and other trainings to expand our understanding and skills around co-op, grocery, and social justice issues.

Empowerment & Accountability



This circle of delegation and multidirectional communication may strike you as different from other board structures. You would be right! We are People's, we do things a little differently. At other businesses, and even some co-ops, a board makes direct, operational demands to a single manager, and the manager in turn makes demands of other staff. In order to be in line with our End of a democratic workplace and the cooperative principle of democratic control, People's operates by something called policy governance (more below). This means that we set down policies which are basic requirements for the management to comply with to ensure a successful co-op, but there is space for the management team to use their creativity and problem solving skills to determine how to meet those requirements.

Our Roles & Responsibilities

Policy Governance & Fiscal Responsibility

The Board has a legal responsibility to monitor and safeguard the financial stability of our Co-op. People's adopted policy governance as an organizational structure for the Board in 2007, a model widely used among successful food co-ops. We adopted this model to avoid a top down, hierarchical structure, and to allow for many voices to have real agency within the Co-op. Utilizing and interpreting People's Bylaws and Ends, the Board writes policies to express expectations to the Collective Management. As the Collective analyzes the store's operations and performance, they use the policies as benchmarks to evaluate success and target areas needing improvement. Policy governance provides boundaries, but does not define how the Collective is to go about enacting policy, leaving room for the expertise and creativity of the Collective. The Collective provides monitoring reports to the Board at each monthly meeting to assess compliance with the policies and any necessary plans for change. The Board provides an elected body for the Collective Management to be accountable to on behalf of the Member-Ownership.

Member-Owner Engagement & Communication

Board Directors are your fellow Member-Owners whom you have elected to represent your interests in your co-op. We are here to represent you and this is how we have democratic control of People's, as guaranteed in our bylaws. We want to connect with you to know your ideas, concerns, and dreams so we can work with the Collective Management to address them. Of course, you are encouraged to connect directly with Collective Managers as well, but as you may see when you're shopping at People's, storekeeping is a demanding business and staff don't always have time for in-depth conversations while working in the store. Our email addresses are listed in the back of this newsletter and we are happy to speak with Member-Owners via phone or in person. We also strive to organize events to engage with you, as well as further our collective knowledge and skills. As always, you are invited to our meetings on the 4th Tuesday of every month in the Community Room at People's. There's free dinner at 5:30 PM, and the meeting starts at 6pm.

Big Picture Visioning

The Board of Directors looks at the past, present, and future of People's, investigating cooperative issues including national and international trends and successes among co-ops, and discusses possible directions for the Co-op's future. We discuss our Ends statements, dialogue with community organizations, and reflect on the Member-Ownership's wants and needs, exploring a variety

“As a Member-Owner, I have shared in the internal struggle of loving People’s just the way it is and not wanting to add to the rampant capitalist growth we see around us, but understanding that change is inevitable – if we do not find a way to evolve, we will not be able to continue to exist.”

ideas for inspiration on what we could achieve together. We try to make sure we have policies that allow for and aim us in the direction of achieving long-term financial sustainability, and hopefully even increasing our positive impact within the community.

What Doesn't the Board Do?

It's important to be clear that the Board does not control People's Collective Management, nor do we make the day-to-day decisions of running the Co-op. The Collective Managers are the experts in running a high quality natural food store. The Board does not decide what products to buy, how to display them, or set the prices. We simply try to make sure that the decisions the Collective Management makes on these issues are in alignment with the will and needs of the Member-Ownership, our Ends, and the greater community. We are the folks to express your thoughts and concerns to and we want to hear from you! However, please know that if there is a specific product request or complaint or other operational question, we will likely pass your comment on to the most appropriate Collective Manager who can address it directly. If your comment brings up a big picture or fundamental issue for discussion, we will take it into account at our meetings!

What Role Does the Board Play in the Long-term Plan?

The Co-op has been in a long-term planning process for over three years. This work began at the urging of the Board in 2014, when it was clear that the Co-op needed a directive for how to stay resilient in a changing Portland. In 2014, sales were flat, patronage wasn't paid out for the first time, and competition in the natural foods industry was only increasing, as it still is today. However, despite being a policy governance reporting requirement, the Collective did not have a strategic plan for the Co-op's future at that time. And that's where this whole process originated – from a clear need to address the growth and sustainability of People's to ensure that our Co-op has a future.

Since that time, we have been monitoring the progress of the Collective as they work on the huge task of complying with this policy. First a Ways & Means Committee was formed and a process was crafted. Then the Long-term Planning Committee (LTPC) was formed and the committee has proceeded to investigate the factors that make up such a plan. We participated alongside these staff members in interviewing community organizations as potential partners and to assess the needs in Portland. We also focused our engagement attentions toward the events already planned by the LTPC to gather input from Member-Owners last spring. We usually receive monthly updates on the work of the LTPC.

One of the policies that pertains to the long-term plan is that no major real estate changes or loan acquisitions can be made without board approval. This means that ultimately, the Board will have oversight on the final plan. However, the idea is to be working side by side with the LTPC and the Collective as the plan forms, building alignment along the way so that there are no surprises by the time we get to final approval.

Reflections of a Former Director

After spending nearly four years on the People's Board, I am happy to share a bit about my experience. I have always considered People's to be a leader in Portland, not just in quality of food, but in real cooperative values. I have seen the Collective work tirelessly to honor our Co-op's history and reputation, and to create a new and beautiful long-term plan for sustainable success. As a Member-Owner, I have shared in the internal struggle of loving People's just the way it is and not wanting to add to the rampant capitalist growth we see around us, but understanding that change is inevitable – if we do not find a way to evolve we will not be able to continue to exist. Crafting a plan this way takes much longer than if a conventional board and a single manager hammered out a plan and dictated the way. There will be pitfalls along the way and we will not be able to satisfy all the stakeholders involved. However, the LTPC is working to find a way for us to grow on our own terms. Since we need to do this, why not do it in an amazing way so that we thrive instead of just survive and perhaps provide a new template for sustainable and compassionate growth in our world? Though it has been a challenging time, being a small part of this effort has been an exciting honor and I thank you for the opportunity to have served our Co-op in this way.

I will also say that I recognize a need to improve our role as representatives and to have better engagement and communication with our fellow Member-Owners. I can tell you that all the directors I know feel similarly. It is an ongoing priority of the Board to improve on this. I hope you will all continue to reach out to the Board and participate in as many engagement events as you can so we can continue to get better together. ☺

Time is Not Money, McMuffins Are Not Food, & the Future is Up to Us

BY PEDRO FERBEL-AZCARATE, CO-OWNER OF THREE SISTERS NIXTAMAL

Back in the year 2000, I was on the Board of Directors at People's and I wrote an article in our quarterly Grassroots magazine about the exciting opportunity to get behind our expansion project. In that article, I wrote about our contemporary dystopian reality where "time was money" and "people ate McMuffins" and that our food cooperative was a revolutionary remedy to this commodification of our earth and its food supply. From the 2000 article:

"Expansion is about creating more community space, better working conditions, utilizing and promoting green building technologies, and offering a true center for community education and activism. We will also be a better food store. We will have more space for people of all sizes and abilities to move about comfortably and safely. We will be able to carry more bulk foods to cut down on packaging. In general the store will function more smoothly, meaning fewer out of stock items and more clear display of food and their prices as well as nutritional information. All this means that more people will have more access to more safe, sustainable food."

The expansion project in 2000 allowed us to grow as a community, embracing the courtyard for our Farmers' Market, our Community Room for local events, cob walls and benches and a larger space toward better working conditions and a living wage. In spite of the advice of consultants, who said we needed a big box footprint and a parking lot, we proved them wrong! We grew according to our mission, to increase our capacity to provide an alternative to the toxicity of our food systems and to enhance connections between people and their sources of nourishment. Looking back, and from different perspectives, we were successful. Today we own our building outright, we have no debt burden, we have close to a million dollars in the bank, and we have a brand identity that is grounded in ethics. If you know the history of our Co-op (find Marc Brown's article from the Oregon Historical Quarterly at peoples.coop/vision) you will see that our collective story has been a constant struggle to remain viable in the face of corporate capitalism. Indeed, the cooperative movement itself was born out of such a struggle.

Fast forward to 2017, and it is time to look deeply at our mission and get excited to take another step forward. Time is still thought of as money and people still eat McMuffins. So where do we go from here? Forward!

I was recently at one of the long-term planning feedback sessions and was encouraged to remember the intention we have put into People's. Together we own this place and are guided by a stewardship that honors our contributions. There is no place like People's and we should be rightfully proud of the community space we have created and maintained. While the day to day work of running our Co-op often goes unappreciated, we have a huge impact on a local, national, and even an international scale. It is the Spirit of the Crossroads we serve as we open our doors to the community, providing common sense, healthy food, and community ownership. Thanks to our cooperative effort – feeding the revolution since 1970!

Some people are alarmed to think we would close our doors at 21st and Tibbetts to move somewhere else. I feel that concern. We have invested so much into this place! Our mission around food justice would support creating another People's that serves more people that need it. In the same spirit of our mission we may ask ourselves what that would look like? How do we make healthy food and community attractive when time means money and we eat McMuffins? Do we serve healthy and inexpensive prepared food for families? Can we have a bakery to provide the daily bread? Can we honor the culinary traditions of all our neighbors? How do we support our local farmers and food producers? How do we provide a living wage for our fellow workers? These are some of the questions the staff, committees and the Board have been considering. Now it's time for the Member-Owners to learn the history, understand the economics, and consider:

What is possible? What is viable? How can we best serve our mission? What do we want to model for the future? How exciting that we are the ones who have the power to decide! ☘

Pedro Ferbel-Azcarate has been a People's produce Hands-on-Owner, served two terms on the Board, and is currently co-owner of Three Sisters Nixtamal organic corn tortillas.



Our Long-term Planning Journey So Far (And What's Next)

BY SOFIE SHERMAN-BURTON, MARKETING & MEMBERSHIP MANAGER AND CO-MANAGER

Photo by Amanita Stewart-Kennett

In the early '10s, amidst reports from the Collective, the Board of Directors noticed something: after years of really steady growth following the expansion completed in 2002 and the closing of the Daily Grind (another vegetarian natural food store at SE 41st & Hawthorne), the Co-op's sales were flattening out. After an unsuccessful development process in 2007 and 2008, People's didn't have a strategic plan. The Collective didn't have a plan to fix the flattening sales, which meant that there wasn't a long-term plan for the Co-op's sustainability. As a result, in 2014, the Board asked the Collective to come up with a plan!

Since then the Co-op has been working on developing a vision and plan for how People's can grow to stay vibrant, vital, and sustainable far into the future. Here's attempt to summarize that work so far.



Before we could really discuss what our vision for the future is, the Collective needed to figure out why we were even engaging in this process in the first place. What would the projects that come out of this process accomplish? Put simply, the long-term plan needs to:

- Be financially viable!
- Make the Co-op more financially sustainable!
- Move us towards our Ends in concrete ways!
- Inspire enthusiasm among the staff so that they will be able to implement it!
- Be achievable in terms of staff capacity!
- Be based on the needs and visions of our Member-Owners!

Once these criteria were established, the focus turned to our Member-Owners to help figure out the needs and visions of our

community. The Long-term Planning Committee hosted three public meetings with community members to help focus that vision. We also interviewed a number of community organizations that are doing work that aligns with our Ends. We surveyed farmers, vendors, and some of our distributors. The Board of Directors and the Collective shared their vision, too.

The Long-term Planning Committee then worked on turning those conversations into tangible ten-year vision statements. The Collective Management wrestled with them a bit, and eventually came up with:

1. People's Food Co-op collaborates with the communities it impacts to strengthen the local food system.
2. People's Food Co-op attends to the empowerment of our workers, who ensure the health of operations and the financial sustainability of our cooperative.
3. People's Food Co-op engages with community members in order to provide relevant and affordable food and goods.
4. People's Food Co-op nurtures fruitful relationships between individuals, businesses, and organizations in pursuit of our Ends.

Around the same time, the Collective decided that a long-term plan would need to include a second store. Given that our experience is in managing a grocery store, this seemed like the best way to expand our sales and grow our profit. We talked a lot about the excitement of opening a new store in a neighborhood that needs it while being concerned about how our product selection could (or couldn't) fit in a new community; we worry about how a new store could contribute to the gentrification of a different neighborhood. We also thought that a second store could be coupled with a warehouse space or a community

resource center, depending on where we locate: what the needs of the community are, what our space is like, and what we might be able to afford. (Read more about that in Shawn's *What's on the Table* article).

That was in July of 2016. Early this year Milwaukie, Montavilla, and Lents were identified as locations to focus our research about a second store. Simultaneously, the Long-term Planning Committee was struggling to come up with a committee structure that would enable them to manage all of the work on their plate. Because the structure of the committee, the timeline, and the budget for the long-term planning process were formal Collective decisions, adjusting the committee's structure was itself a labor-intensive task – dividing the focus of the Long-term Planning Committee and slowing us down.

In April of this year, the Long-term Planning Committee asked National Cooperative Grocers to conduct a growth readiness assessment. NCG is a co-op of about 150 food co-ops from across the country and provides a variety of tools and assistance to its members. Folks from NCG interviewed a number of Collective Managers in different departments and wrote up a report focused on what People's needs to adjust in order to grow, based on their expertise and what they heard in the interviews.

One sentence from the report was particularly interesting: a suggestion that we consider relocating in our current neighborhood rather than opening a second store. We hadn't considered relocating before because we are so invested in this particular space and the way that we are situated in our neighborhood, but it also seems irresponsible to not consider an option that, according to co-op experts that we trust, might be our surest bet at survival. Shawn talks more about this in her *What's on the Table* article, too – check it out.

Before we could collect more financial information and engage the Member-Owners around the possibilities of relocating or opening a second store, information about these potential projects reached to Member-Owners and other folks in a really unfortunate way. We hired a market study firm to look into the potential of opening a second store in the identified neighborhoods and relocating in our current one. As a part of conducting the study, they called current shoppers and other neighborhood residents to ask a variety of questions. The questions were hypothetical, but the wording didn't make that clear. Soon, we were hearing from long-time Member-Owners who were shocked to hear that we were moving and had to explain what was happening. At the Annual Meeting soon after, we made a formal announcement about considering relocating and opening a second store. After the Annual Meeting, we started hearing from lots of people: folks that were horrified that we would consider leaving our historic location, people who were thrilled that we would be coming to their neighborhood, and others that were upset that we would consider such a huge change without talking to our Member-Owners.

As a result, we've adjusted our process to make a lot more space for community involvement. We held a Community Forum in August, and have another scheduled for October 18th at 6:30 pm. We planned four Feedback Sessions to hear from community members directly, share more information, and hear their perspectives on the potential projects (two happened in September, and two more are scheduled for October 7th and October 11th – let us know if you want to attend!). We're also conducting an email survey to hear from folks that couldn't commit to coming to a meeting.

At each of the Feedback Sessions, community members are choosing a person from their group to be part of the Synthesis Committee. This group will be comprised of: four Member-Owners, two Board members (who represent Member-Owners), two Collective Managers, and two members of the Long-term Planning Committee (who are also Collective Managers). These folks will be in charge of looking at the input from community members as well as the breadth of research that the Long-term Planning Committee has compiled in order to make a recommendation to the Collective Management about how the Co-op should grow. While they are meeting, the Long-term Planning Committee will be working on making their own recommendation to the Collective. We're hoping that these recommendations will be the same since there is overlap in committee membership. The Board will also be hearing from the Directors on the Synthesis Committee throughout and sharing their perspective with the Collective. Once the Collective Management has recommendations from the Long-term Planning Committee and the Synthesis Committee, they will (hopefully) be able to make their own decision about the best direction for our Co-op. Once the Collective has their recommendation,

it will be discussed with the Board of Directors. When we're all on board with a clear direction, we'll start preparing for the implementation: real estate transactions, business plans, hiring strategies, community organizing, and so much more.

Another critical component in making a decision about the long-term plan is getting more solid numbers regarding what would be financially viable. The Long-term Planning Committee and Finance Team have been working on pro formas for relocation and second store options. These financial projections will give a better idea of what these projects would look like, and what potential adjustments are needed to make whatever project People's embarks on viable in the long-term.

This whole process has been very long and messy. The great news is that People's has weathered these storms before. We've dramatically grown our business. We've been through more desperate financial situations. We've stayed dynamic and relevant in a city that has changed dramatically. We'll get through this process, too! I'm confident that we will settle on a terrific long-term plan simply because this community has shown such ingenuity in the past. The hard part isn't over: there is still a major decision to be made, as well as many smaller ones, and we probably won't all be able to agree. But we will move forward and grow together, just as this Co-op has done for decades. ☺

Upcoming Feedback Sessions

Saturday, October 7
12-3pm

Wednesday, October 11
6-9pm

To sign up for a feedback session, email planning@peoples.coop, or ask a cashier in the store!



What's on the Table?

BY SHAWN FURST, DEVELOPMENT MANAGER & CO-MANAGER

I love this store, and have been coming to People's since it was a dark, cozy haven half the size it is now. In my years of working here, I've come to understand that trying to keep People's as it is now, with no other growth, would cause a slow decline and eventual loss of the Co-op we all hold so dear. It would be much less risky to work towards intentional growth in a well-informed way that uses all the wisdom and experience we have. Working towards that kind of plan has involved lots of dreaming, research, narrowing, excitement, and sometimes harsh realities. At this point, we've done lots of work, and narrowed our choices to either opening to a second store in Milwaukie, Lents, or Montavilla, or relocating to a larger store in our current neighborhood.

In order to explain why we've come to the choices we have, I'm going to start back in 2007-2010, when the Collective ran another process to decide what projects the Co-op should embark on. That process began during some really big growth. After the Daily Grind closed, the Co-op had double-digit sales growth for a couple years. In 2008, our sales growth was 31% (Compared to recent years, when we're struggling to make 1% sales growth)! In the late 2000's, we were relatively flush, and the development process was mostly led by Member-Owner input (without thorough consideration of what was financially and operationally viable). At the end of the process, the Collective decided to open a second store, start an educational farm, and open a non-profit co-op incubator.

The focus of that process wasn't financial feasibility in part because sales growth was so high. And when we ran the financial numbers for the second store, and it seemed like starting another store would be relatively simple given low commercial rents, lower costs of living, and low healthcare costs at the time, which contributed to a low labor margin. These expansion plans never happened though, in part because the Collective Management wasn't ready: not everyone was convinced that we'd outgrown our store yet,

and the prospect of gentrifying a neighborhood as well as splitting our collective structure over two stores were bigger puzzles than the Collective was ready to take on. Excitement waned, and the Collective put the plans on indefinite hold.

Now we're in a very different set of circumstances. The staff are squeezing about as much as we can out of our current building: there just isn't room to grow our sales very much. While we're a community-owned co-op that puts a strong emphasis on our Ends, we're a for-profit business and need enough growth year-over-year to survive and keep working towards towards those Ends. This is one of the essential tensions of our store, and something I think about often. As much as we are trying to abide by our values and serve our community in a genuine and human-scale way, we are living in a system that demands that we make more money year-over-year. One of the Collective's primary jobs is to figure out how to walk this line so the Co-op can thrive financially, and then use that financial success to serve our Ends.

We rely on annual sales growth to do work towards our Ends. Our sales growth, along with guidance from the Board on our values and direction, helps us:

- Provide fair wages and healthcare to our staff. The cost of living and healthcare costs are always increasing, so we need to keep growing our sales to keep up. This allows us to pay people fairly and attract great staff members.
- Offer awesome programs like our Farmers' Market SNAP match, which provides \$13,000 per year to SNAP users at our Farmers' Market, and Food For All, which provides discounts on our products to those who have a financial need.
- Contribute to community wealth by ending each year with a net income, which contributes to the community wealth that we've

built over the years. This community wealth allows us to do things like care for our building and build creative new projects according to our values.

Low sales growth means that we can't do these things. We haven't been able to provide an across-the-board cost of living adjustment to our staff for many years, and rising rents in Portland have pushed many staff members to live further and further from the Co-op. Our starting wage is currently \$13 an hour. We think a fair starting wage in Portland is at least \$15 an hour, and our ability to pay fair wages will eventually impact the types of candidates we can attract for staff positions. Without increasing our annual sales growth, we won't be able to raise our staff wages significantly. With labor costs continuing to grow, we think that our best option is to grow so that we are able to return more wealth to our owners, raise our wages to a living wage, and create new and innovative programs in service to our Ends.

It's also worth mentioning that our crowded aisles and back stock create hardships in other ways. These physical limitations:

- Make the store less welcoming to many Member-Owners and customers. People who use wheelchairs or other mobility devices, people with larger bodies, and people with large families can find our store size untenable. Lots of people also simply want a little more space and less interaction when they're shopping. These are all potential shoppers, Member-Owners, and members of our community.
- Make staff injuries more likely. The number of staff that it takes to run and stock the store is often too many for our tiny back stock area, which is already full to the brim with products ready to go out onto the retail floor. The twisting, lifting, and moving required to run a grocery store is made more difficult by these tight spaces, and the need to constantly be aware of and move around others in small quarters can lead more easily to accidents.
- Create labor inefficiencies when staff receive and stock products. In our current store, a product has to be moved around multiple times before making its way to the retail shelves. Because we have a small amount of room, when new product comes in the delivery doors, products already on back stock shelves need to be removed so the new product can be stocked behind it. If we stock up on products on sale, sometimes entire shelves need to be reset to make more room for the incoming product.

All of these things affect how well we can serve our communities and our financial sustainability in the long run.

These physical limitations, along with much higher commercial rents, higher labor costs due to more expensive costs of living and healthcare, and a much more competitive natural foods marketplace, adds up to a much riskier situation.

Still, our flattening sales suggest that we need to find a way to grow. When looking at the possibilities that arose during our community outreach in 2016, the Collective could see clearly that the way to sustain and grow the Co-op in the long-term was by opening a new store. Initially, this meant opening a second store. Relatively recently, we added relocation to the list of possibilities. Below is more on the stories of those decisions.

Second Store

During the current planning process, a second store has been the most obvious plan for development. What the Co-op tends to do best is to sell great quality food – that's what People's is known for. A second store would also move us towards our Ends in really practical, predictable ways: selling more goods from more local farms and food businesses, reaching a new neighborhood to grow our passionate community, growing our cooperative economy, growing our democratic workplace, providing more people with better access to healthful foods, and more. A second store shouldn't be so far from our current location that it would be hard to travel between the two, but not so close that it would take lots of business from our current location. Also to consider is the proximity to competitive businesses, particularly New Seasons, Whole Foods, Market of Choice, and Green Zebra. The Long-term Planning Committee also considered the locations of community organizations who we could connect with in mutual work towards shared values. Based on those criteria and conversations with constituents in different areas, the Collective narrowed potential new locations to Montavilla, Lents, and Milwaukie. In the past 3+ years, though, other co-ops have had trouble successfully opening 2nd stores: the managers of these stores are finding it a more difficult challenge than was anticipated.

In thinking about a second location, the Collective Management also considered two other projects that might work in tandem. The first is a warehouse. A warehouse would grant us plenty of space and with more storage space we might be able to buy in great enough quantities to get better prices on the products we sell, and pass those savings on to Member-Owners and customers. A warehouse might also have a commissary kitchen to serve the stores' delis or grab n' go selection, and potentially be available to the other businesses to use.

The second is a "community center." The goal of a People's community center would be to work with other businesses and

“With labor costs continuing to grow, we think that our best option is to grow so that we are able to return more wealth to our owners, raise our wages to a living wage, and create new and innovative programs in service to our Ends.”



Expansion in progress around 2001.

organizations to provide a variety of services in one convenient location, linked by our shared values. It would be a place where people could gather and spend time as well as get a variety of needs met. Inherent in this option is the need for deep connections to the communities and organizations in the neighborhood where it's located so the center can authentically serve the area.

Each of these options would likely pose more of a financial risk to the Co-op, as they won't likely make much money, and will require additional resources and expertise to run. They're also contingent on the real estate available in the area. For these reasons, the Long-term Planning Committee is focusing more on the new store option before spending lots more hours researching these options. That doesn't mean that they're forgotten: the warehouse and community center ideas are being kept in mind as research unfolds.

Relocation

Relocation emerged at the suggestion of folks from the National Cooperative Grocers, a national co-op of about 140 food co-ops that helps to provide lots of different kinds of support to its members. They suggested relocation for the following reasons:

- In their experience, relocation to a larger store poses less risk to the Co-op than opening a second store.
- It's much easier to evolve operations from one smaller store to one larger store than to add a second store. The layers of complexity here shouldn't be understated.

Those reasons resonated with the Collective as responsive to whole co-op needs, and so they decided to do more feasibility research into relocation.

There were clear reasons why the Long-term Planning Committee hadn't considered relocation earlier: the Co-op has been in this location for almost fifty years, and there has been a grocer on this site since the turn of the century. Staff and community alike are partial to this location tucked into the neighborhood, and the connections that People's has with neighbors. This building is beloved and special. People's has been a successful grocery store for so long here that the Collective never considered that it might be in the Co-op's best interest to move it. And the loss of the current store would feel like a huge cultural fall to many people. If People's does relocate, it will be as close to the current location as is feasible. A challenge in relocation is the high real estate prices of our neighborhood and the availability of commercial space that will be a good fit for People's, both in terms of having the necessary infrastructure for a larger grocery store and fitting in with our environmental and community ethos.

I hope this article has provided more context regarding the current status of planning, the external factors that have helped shape our thinking, the roles and responsibilities of the Collective, and how the voice of our Member-Ownership and wider community has affected our trajectory. ☺

Ideas We've Considered

Throughout our time researching our long-term plan, we've considered lots of ideas that have come up in conversations with shoppers, staff, and amongst ourselves. Most of them have been great ideas that we wish the Co-op could do, but for a lot of them there are reasons why we're not actively considering them as a major component of our long-term plan. Here's a rundown of some of ideas that keep coming up, and the particular challenges that they pose.

IDEA	WHICH ENDS?	WHY NOT?
Educational Farm	Progressive land and animal stewardship; thriving cooperative and local economies; a passionate community	An educational farm would need substantial funding. The Co-op doesn't have enough funds to manage it without outside grants, which would mean needing to start a separate non-profit. We'd also want to be near or in Portland, and land is increasingly expensive. We've also heard some stories of other co-ops opening farms and having to close them because they couldn't afford to keep them running. A farm also wouldn't be able to contribute substantially to the overall economic welfare of the Co-op, and wouldn't make our labor more efficient.
Cafe or Food Cart	A safe and welcoming community where all are valued; thriving cooperative and local economies; a democratic workplace where all workers voices are valued; access to healthful foods.	Serving prepared foods and having a place to serve them are still on the table (pun intended?), but a cafe in-and-of itself likely wouldn't provide the income that we are hoping for through this growth. We've also seen other food co-ops around the country struggle to manage successful cafes apart from their grocery stores. Cafes are also often expensive to start up and rarely turn significant profit. There is also tons of competition in Portland.
Some Kind of Non-Profit <small>(i.e. co-op incubator, advocacy farm, land trust, food pantry, etc.)</small>	Any and all of them.	Our Co-op isn't out to make huge profits, but we aren't a nonprofit, either. Starting a nonprofit would mean launching a whole other organization. A nonprofit also wouldn't make a profit (naturally) and wouldn't help to make labor more efficient. It would likely take funds away from our little store rather than helping to make us more financially sustainable.
Commissary Kitchen	Thriving local and cooperative economies. Access to healthful foods our customers can trust.	It would be great for People's to have space to prepare foods that we could sell in our store. It would also be really wonderful to share that space with other businesses that are starting out. We don't think, though, that such a venture would bring in the kind of profit that we are hoping to with our long-term plan. If the kitchen were mission-driven – like if it supported marginalized folks in starting businesses, or offered education like the Portland Mercado does – we would need to seek out other funding options, which brings up the issues with starting a nonprofit.
Grocery Delivery	Progressive land and animal stewardship; thriving local and cooperative economies; access to healthful foods our customers can trust.	First and foremost, there is already a lot of competition in this area that are aimed at natural and organic foods: Imperfect Produce, Thrive... not to mention what Amazon has in store for Whole Foods. If we have a larger grocery store, it will make sense for us to offer grocery delivery of some kind (in the early 2000s, we had a delivery by bike program) but again, grocery delivery on its own likely won't provide the boost in profits that we need from this long-term plan. That doesn't mean that we won't make it a part of our plan, though.
Growing into the Courtyard	All of them.	We really like our courtyard. It is great to have the outdoor space for the Farmers' Market and all the other times that folks gather there. Losing the courtyard would change the way that our building relates to the neighborhood around it, too. Ultimately, though, expanding the courtyard would only grow our retail square footage by about one third, and would cost a lot of money. The investment wouldn't be worth the return, and we suspect that we would reach out capacity in a moderately larger building in the not-so-distant future, just as we did after we expanded into our current size in 2002.



Financial Feasibility of Expansion

BY MILES UCHIDA, FINANCE MANAGER AND CO-MANAGER

To grow or not to grow, that is the age old question many food co-ops have grappled with... including our own in the past and present. Why should or shouldn't we consider growth, and is it feasible to do so? Hopefully the information below provides some background and highlights some of our options and the potential risks involved.

Why is our financial position acceptable for expanding?

We have a strong balance sheet. Simply put, we have no long term debt, and our current assets include \$1 million in cash. This is a very good position to be in to leverage capital to expand. In order to expand enough to ensure adequate facilities for the future, borrowing money beyond our cash on hand will be necessary.

Debt is not necessarily an indicator of high risk, however. Financial ratios and cash flow are analyzed to make sure a plan has a strong chance of succeeding. Business viability, owner needs, and the Co-op's Ends are all considerations when assessing the future of the Co-op. If leveraged well, and with a solid business plan, it's common and acceptable for food co-ops to have at least three times as much debt as equity when implementing an expansion project. Some even go up to four or five times!

Taking from our own experience, People's debt to equity ratio was as high as 3.9 in 2002 when we remodeled our building. At that time, we borrowed \$444,000 from external sources (banks, organizations, individuals) and \$178,000 from co-op owners for a total of \$622,000 in debt. Our total sales prior to expansion were \$1.2 million, so the loan was 52% of sales. In our current situation, we could be looking to secure around \$3.8 million in loans and owner investments, or 65% of current annual sales.

What are the risks of taking on debt and expanding?

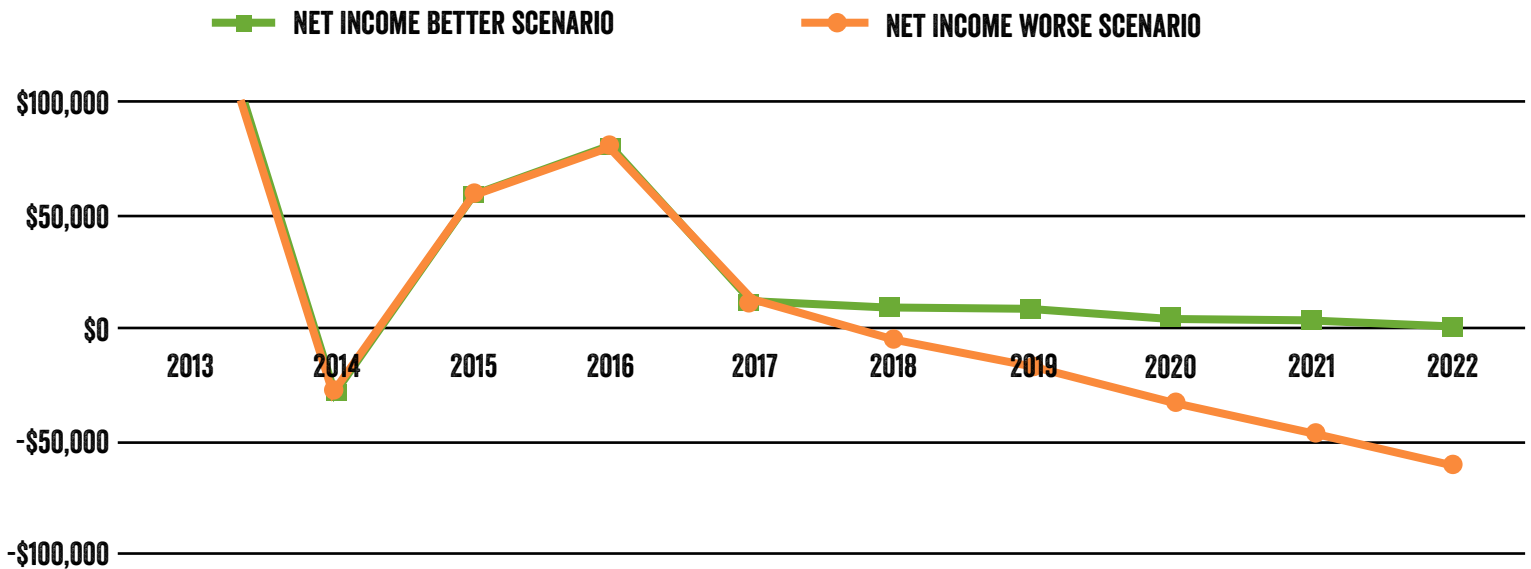
Any project, especially one that involves debt, carries some risk with it. Project costs could end up going over budget. Sales could not live up to projections, even though we will project less than our market study shows. Competition could grow, economic conditions could change, or we could just fail to run the store well enough. Labor and other expenses could be higher than planned, especially at first, due to the challenges of adjusting to a new space and larger operations and because we will likely need to lower our labor as a percent of sales. Gross Margins could be under budget due to competitive pressure, higher shrink with new operations, and external factors. Any combination of these, if severe enough, could result in lower cash flow which could affect our ability to make our debt payments.

Of course, we would create operational plans and financial projections that are solidly researched and based on achievable goals and measures. Financial projections would be conservative, and with a margin for error.

What are the risks of not expanding?

Keep in mind that there are also risks to not expanding in our situation. Sales are almost maxed out in this space, but labor costs keep growing even if wages and labor hours don't – most notably, health insurance. The other effect would be stagnating wages, which are rapidly losing value as the cost of living relentlessly increases. As wages stagnate, our ability to retain or attract new staff could suffer. Alternatively, if we were to simply put current savings into wage increases, we would begin to lose money, and eventually the well would run dry. Working conditions are very tight in our small space, which leads to increased injuries and

Net Income Scenarios



SCENARIO	SALES	MARGIN	LABOR
BETTER	+1% growth annually	Same: 36.6%	Same: 26% of sales
WORSE	-1% growth annually	Decreases 0.1% annually	Increases +0.1% annually

decreased efficiency of operations. Over time the needs of our aging building will grow, and without increasing our sales we'll be without additional revenue to pay for repairs and improvements. It is possible we could continue in our current format for years. Likely we'd stop making a new profit after about 5 years, and after that we'd be digging into our cash savings in order to run the store. Some of this would be made up for with new Member-Owner equity, which we receive each year, though in shrinking amounts (and equity is meant to help grow the business, not be used up in operations). This would add up to a slow decline of the Co-op: over the years, we'd likely need to shrink our wages and benefits, limit educational offerings, and eventually lay off staff.

Perhaps most importantly, our physical and organizational limits would put a damper on our ability to keep working towards our Ends – providing more accessibility to healthy foods, boosting the local economy and sustainable food systems, being more inclusive, providing democratic and living wage jobs, and so on. We would become less and less relevant to our customers or influential in the world of groceries and sustainable agriculture. And as outlined above, our financial conditions would likely become more tenuous.

Our Current Options

Upon coming to terms with the realities of our current space, we have been investigating two primary options for change: relocating the current store in our neighborhood, or opening a second store. You can read more about them in Shawn's article, *What's on the Table*.

As of this writing, we are currently having a pro forma (a fancy way of saying financial projections) done for both a relocation and second store options. We have contracted with Cooperative Development Services Consulting Co-op (CDSCC) to create the pro forma. They have worked with food co-ops across the country on hundreds of expansion projects over the years. The pro forma will incorporate sales data from a market study, People's historical financial trends, industry and food co-op trends, local utility and real estate costs, and other information to determine if and how these options will be feasible. We will make sure the pro forma is based on reasonable assumptions, and that show adequate cash flow and financial ratios that represent a high chance of success based on past experience. At this point we do not have enough information to know for sure if or how we can make an expansion financially feasible, but are working to find viable options.

We have generally been looking at models for a space three or four times our current store's size. This is big enough to offer a much more accessible space, with ample product selection as well as an effective and efficient layout. It's small enough that we would still have a moderate, comfortably sized store, while not outgrowing our organizational capacity with too big a leap. We do not have a specific goal for sales, but such a store would keep us financially sustainable for many years.

Thank you, and please stay involved in our planning process as we try to hone in on a vision for our co-op's future. 🍷

Easy, One-Pot Meals

...That Also Make
Great Lunches

BY CAITLIN GAYLORD CHURCHILL,
PERISHABLE & DAIRY BUYER
AND CO-MANAGER

As a personal chef, each week I have the pleasure of searching for new recipes that will meet the specifications of my clients: gluten-free, dairy-free, and delicious. There are so many foods that fall into this category, but when I find an inexpensive, quick, and nutritious meal that keeps well in the fridge, I lose my mind with joy. I'm an all around omnivore, but cooking with restrictions is a fun puzzle for me. Leaning on gluten free, dairy free, and vegan convenience foods for a restricted diet can seriously limit the scope of culinary possibilities. It's important when working with dietary restrictions to play to the strengths of your diet, rather than the absences. Look to cultures that don't lean heavily on wheat, meat, or dairy and check out some cookbooks from our beloved library system, and you'll find that a restricted diet doesn't have to be a bland one. If you're really into wheat pasta or parmesan, feel free to use those as a substitute.

“Beryl’s Sunday Lunch” Basmati Rice

This is adapted from *Flavorwalla* by Floyd Cardoz, which is my favorite cookbook lately. I take it out of the library frequently and greedily. This little gem is one I use every few months in my private chef rotation and my home. Like the noodle dish, it lends itself well to add ons, such as carrots, peas or whatever green herb is wilting in your crisper. You can healthy it up with brown basmati if you want, but I'm a sucker for white rice.

Ingredients

- 3 tablespoons of low flavor oil (canola is recommended)
- One 1-inch piece cinnamon stick
- 3 whole cloves
- 1 cup finely chopped white onion
- 4 scallions (white and green parts)
- 2 bay leaves
- 2 cups white basmati rice, rinsed, soaked and drained.
- 1 ½ cup diced tomatoes (I use canned when that's what I have, and I liked the roasted ones)
- 2 vegetarian bouillon cubes
- 3 cups boiling water
- Kosher salt

Instructions

Heat the oil in a large pot over medium until shimmering. Add the cinnamon stick and cloves and cook until fragrant, about 1 minute. Add the onion and scallions and cook, stirring, until softened (don't let them color), about three minutes.

Add the bay leaves and drained rice, stirring to coat the rice with the oil. This would be the time to add anything additional like carrots, peas, diced beets. Cook, stirring frequently, until the rice starts to stick to the bottom of the pot, 4 to 6 minutes.

Add the tomatoes, bouillon cubes, and water, taste and add salt as necessary. Increase the heat and bring the mixture to a boil. Gently stir the rice with a silicone spatula a couple of times and cover the pot. Reduce the heat to medium and cook, stirring occasionally, until most of the liquid has evaporated, about 15 minutes. Turn off the heat and let the pilaf stand, covered for 15 minutes.

Fluff the pilaf with a fork. Remove and discard the cinnamon stick, cloves, and bay leaves and serve.



One Pot Pasta with Whatever is on Hand

Ingredients

- 200 grams legume-based pasta
- 1 pound of fresh green beans
- 2 cups frozen shelled green peas
- sea salt for cooking water and garnish
- 4 tablespoons cold-pressed olive oil
- zest and juice of 1 organic lemon
- 4 tablespoons capers
- A large handful fresh mint, leaves only

VEGETABLE IDEAS

- Diced carrot
- Diced summer squash (seriously, lets use 'em up)
- Green beans
- Frozen peas (FAVORITE)
- Broccoli florets
- Cauliflower florets
- Edamame
- Frozen or fresh spinach
- Chard leaves

SEASONING

- Sundried tomatoes, garlic, & basil
- Coconut milk, curry, & peanuts
- Tahini dressing, made with tahini, lemon, garlic, & water in the food processor

Instructions

Put a large pot of water on the stove and heat over a high flame.

While the water is heating up, wash, trim, and chop the beans. Shell the peas (or take them out of the fridge or freezer). Wash and roughly chop the mint. Once the cooking water is boiling, salt it generously (it should taste salty).

Add the pasta and set a timer for about three minutes before the suggested cooking time. Three minutes before the pasta is done, add the beans and peas. Cook for three minutes. Drain well and place back in the pot. Add the olive oil (important to keep the pasta from sticking!), lemon zest, drained capers and a few pinches of sea salt. Season to taste. Fold in the fresh mint and serve.



I love this dish because it's so easy. For it to be a meal, I reason, there should be at least a half hour of me throwing vegetable peels on the floor and in my hair while I braise and nearly burn something else. It doesn't have to be that way, but I feel most comfortable with a little chaos around me – it's hard for me to embrace the easy. So put your long hair up with two pencils or a rubber band and listen up:

You can edit this dish in many ways to fit what you have around and what you like. The basic idea is that you get a salty pot of water boiling, add the pasta and when there is 3-4 minutes left in the pasta's cooking cycle, add some veggies that will cook also. If you're adding a frozen veg, defrost it in the colander with a water rinse before adding to the pot. Veggies like broccoli could take longer or be cut smaller, your choice. Veggies such as fresh chard or spinach could be put in with a minute to spare so they don't overcook.

Fall Events

EVERY
SAT.

HUMANS OF COLOR YOGA

Every Saturday at 7pm

This class has been thoughtfully created by humans of color for humans of color. Our intention is to provide a safe space for those who identify as a person of color to come together to move, learn, talk, and create community with other humans like themselves. This will also be a gathering place for connecting and building communities of color. Free and open to all.

OCT
10

BUILDING AN ALTERNATIVE: OUR CO-OP'S HISTORY

Tuesday, October 10, 7-9pm

At almost 50 years old, People's Food Co-op has a rich and super interesting history. The trials and triumphs of that time provide a rich and compelling context for where we are now as well as the way that the Co-op grows into the future. Join Marketing & Membership Manager Sofie Sherman-Burton to hear some stories, look at lots of old photos, and talk more about the history of this great grocery store. This is a reprise of her presentation at the Annual Meeting in July. We'll have snack. Free and open to all.

OCT
18

LONG-TERM PLANNING COMMUNITY FORUM

Wednesday, October 18, 6:30-8:30pm

The Long-term Planning Committee, the Board, the Collective Management, Member-Owners, and other community members engaged in feedback sessions and other conversations throughout September, and now it's time to report back on the conversations that we've had and our next steps. Everyone is welcome to join this meeting to hear updates, share your perspective, and get answers to any burning questions. For more information about where we're at in our long-term planning process, check out peoples.coop/vision. Free.

OCT
21

TSUKEMONO: A ROUGH GUIDE TO THE FERMENTED FLAVORS OF JAPAN

Saturday, October 21st, 2-4pm

Fumiko Hozumi & Jason Duffany of Farmers' Market staple Obon will serve as guides in your journey to unlock the mysteries of tsukemono: the ancient Japanese pickling tradition. They'll be performing an informative two hour show & tell, with basic how-tos presenting tastes of everything they've brined & pickled since last year's harvest. Payment will be accepted on a sliding scale, between \$30-\$60. Registration required.

OCT
22

NATURAL BAR SOAPS WORKSHOP

Sunday, October 22, 2-4pm

In this hands-on workshop we will cover the basic theory and practice of natural soap making from scratch. The first step is to learn how to safely use and handle caustic lye. We will also discuss natural pigments, blending essential oils, oil properties, lye calculators and recipe building, curing, trace, basic techniques and troubleshooting for successful soap making at home. We will demonstrate making a 4 lb loaf of swirled soap, while with a partner from the class you will make your own small batch of soap to take home. You will leave with a list of basic recipes and a purchase list of everything you need to get started. All materials will be provided including a small selection of essential oils, however if you prefer to bring your own essential oils, please do.

NOTE: Please wear long sleeves, pants and closed toe shoes to class since we will be working with lye.

Head to homespuncraftschool.com for more info, to sign up for this class and more! \$60.

NOV
4

LEARN TO MAKE FELT ACORNS!

Saturday, November 4, 2-4pm

Fall is here! Celebrate by making a festive garland of felted acorns. The acorns will be wet felted wool balls attached to real acorn tops. Come by yourself or bring your friends and family and work together on a bigger garland. All ages welcome. Taught by artist and Hands-On-Owner LeBrie Rich. \$20-\$30 sliding scale.

NOV
8

CHILI COOKOFF!

Wednesday, November 8, 2-6pm

People's Food Co-op's Board of Directors is hosting its annual chili cook-off and we need you to participate – as a taster or a competitor! To enter your best vegetarian chili in the cookoff, email bod@peoples.coop by Sunday, October 22nd. The Board will pick six chilis to compete, and give participants a gift card to cover the cost of ingredients. Everyone can join the Board at the Farmer's Market to taste all of homemade veggie chilis and vote for a favorite, and at the end of market a winner will be chosen. The chili maker with the most votes gets a \$100 gift card – with prizes for 2nd and 3rd prize, too! The cookoff is free and open to all.

NOV
11

VEGAN FOR THE HOLIDAYS

Saturday, November 11, 3-4:30pm

Kris is a Physicians Committee for Responsible Medicine Food For Life Instructor and a professionally trained chef. She will demonstrate and share plant-based recipes for some traditional Thanksgiving side dishes. She will also discuss ways of keeping the extravagant holiday eating to just the holidays. If you have a holiday favorite dish you just don't know how to veganize, bring the recipe, and you will leave with lots of great ideas. Register at nwveg.org/veg-challenge. Free and open to all.

NOV
18

22 DAY VEG CHALLENGE CLOSING CELEBRATION

Saturday, November 18, 3-4:30pm

Come celebrate your participation in the 22 Day Veg Challenge and let us know how things went during our closing event. We will hear from a panel of speakers: Author and population and environmental sustainability expert Stephanie Feldstein from the Center for Biological Diversity will talk about the environmental impacts of eating meat, vegan physician Craig McDougall, M.D. will speak about the nutritional aspects of a vegan lifestyle, Factory Farming Awareness Coalition founder Katie Cantrell will talk about the lives and deaths of farmed animals and what we can do about it, and Out to Pasture Farm Sanctuary co-founder and vegan naturopath John Collins will share heartwarming stories about rescued farm animals.

DEC
6

WINTER CRAFT FAIR

Wednesday, December 6, 2-7pm

Join us in the Community Room for the Winter Craft Fair! This holiday bazaar features local artisans and handmade arts, crafts and foodstuffs. This is a great time to get to know local artists right here in the Portland community. Speak with a crafter, grab a refreshment and share a conversation with other Member-Owners. This event is free and open to all. If you're interested in being a vendor at the Winter Craft Fair, email lisab@peoplescoop for more information.

DEC
9

MAKE YOUR OWN SOURDOUGH STARTER

Saturday, December 9, 2-4pm

This class is intended to introduce or refresh students on the basic functions of using wild yeast to make naturally fermented, healthful and delicious food! We'll cover the basic functions of a sourdough starter, looking at how it works and how we might use it, and then scope the process of making sourdough bread— examining dough and starters at different stages, and sampling a bread made by the instructor. We'll learn about what makes a naturally leavened bread, take a look at a few traditional methods, and then make our own sourdough starter to take home, along with a set of recipes! Free and open to all. Registration required.

Grow Your Own Produce

GARLIC, COVER CROPS, & COMPOST

Tuesday, October 3rd, 7-9pm

October is a time for returning inward and thinking about nourishing the soil for the future garden. This class will highlight soil building method including mulches, composting, leaf mold and more. We will discuss types of cover crops for building soil tilth and fixing nitrogen. Garlic goes in the ground this month for summer harvest. We will talk about the different types of garlic and best varieties for our region. As always, this class will highlight what is happening in the garden in October, how to tend to your garden, and prepare for the coming month. Handouts will include a to do list for the month, information on soil building methods, and other pertinent information.

WILDLIFE IN THE GARDEN, NOURISHING SOUPS, & PLANNING FOR THE COMING YEAR

Tuesday, November 7, 7-9pm

In November, the weather has become cold and the garden has been put to bed. However, the birds, insects, and other critters still need habitat to keep them around. During this class, we will discuss ways to encourage these allies to stick around in your garden. By having active food webs in the garden, we invite collaboration and enhance fertility cycles on site. As this is our final class for 2017, this class will provide juicy information to help you begin planning for the 2018 garden season. We will also highlight nourishing soup recipes from local herbs, veggies, and stocks. As always, this class will highlight what is happening in the garden in November, how to tend to your garden, and prepare for the coming month. Handouts will include a to do list for the month, information on wildlife, soup recipes, and other pertinent information.

Grow Your Own Produce classes are \$25. A 20% discount is available to People's Member-Owners – please email Marisha directly at marisha.permaculturerising@gmail.com with your Member-Owner number to receive the discount code. Marisha can also be reached by phone: (503) 454-6656.

REGISTER ONLINE:

PEOPLEScoop.EVENTBRITE.COM

REGISTER BY PHONE:

503.232.9051 EXT. 249

Get in Touch with Your Board of Directors

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Naoki Yoneyama
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ATTEND A BOARD MEETING!

Board of Directors meetings are held the 4th Tuesday of every month from 5:30-8:30pm. Member-Owners are always welcome. There is a free, light vegetarian dinner served from 5:30-6:00pm that you can enjoy with your Board Directors and discuss your ideas casually. Afterwards stick around for the official meeting from 6:00-8:30pm. This is a great chance to get your message to the Board or to just see what's going on at your co-op.

UPCOMING MEETINGS

Tuesday, October 24, 6-8:30pm

Tuesday, November 28, 6-8:30pm

Tuesday, December 26, 6-8:30pm

The Seven Cooperative Principles

#1 Voluntary, Open Membership

Open to all without gender, social, racial, political, or religious discrimination.

#2 Democratic Member Control

One member, one vote.

#3 Member Economic Participation

Members contribute equitably to, and democratically control, the capital of the cooperative. The economic benefits of a cooperative operation are returned to the members, reinvested in the co-op, or used to provide member services.

#4 Autonomy + Independence

Cooperatives are autonomous, self-help organizations controlled by their members.

#5 Education, Training + Information

Cooperatives provide education and training for members so they can contribute effectively to the development of their cooperatives. They inform the general public about the nature and benefits of cooperation.

#6 Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, regional, national and international structures.

#7 Concern for the Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



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