



# 2019 ANNUAL REPORT



# BOARD PRESIDENT'S REPORT

In this time of global pandemic, 2019 seems like another age -- in-person workshops, salsa dancing, co-op hugs, kids sneaking apricots out of the bulk bins... Distant memories.

Last year celebrated a lot of successes. We advocated for and saw passed (unanimously!) Connecticut legislative bill SB-138- An Act Modernizing the state's Co-operative Association statutes. We and other CT co-ops (yay Willimantic Food Co-op!) packed the hearing room in Hartford with board directors, staff, and co-op owners testifying in favor of the bill, and put **Co-op Principle 6: Co-operation Among Co-operatives** in action.

We cut the ribbon on our new kitchen, a big investment for our co-op, providing our customers with fresh, in house prepared foods. We had a super fun Annual Meeting with great food and a salsa lesson and dancing! We reset the store with beautiful new shelves. We saw great sales growth.

The year was not without it's challenges though. We were able to invest in the store and in our staff, but despite robust sales growth, we posted a net loss at the year's end. In an industry with very thin margins we remain committed to our Ends and to sustainability.

But, like I said, this all seems so long ago. Our current reality is one of turmoil and uncertainty and our focus now is on that uncertain future. I am sure you will agree-our staff and GM have been absolutely AMAZING during this crisis. The store stayed ahead of the curve, worked to protect both staff and customers, and expanded it's online ordering capacity a hundred fold. We have weathered these challenges and come out stronger, but what will the next year, the next month be like?

Whatever the future brings we are reassured that we will face this future together. Listening to our owners, our staff, our customers, and our community and letting them guide us, this is the Board's work, this is what a co-operative is all about. This is our store.

And what can we focus on as we move forward into the future? So many things, but here is one big thing that the Board will be focusing on this year:

The Board of Directors issued a statement at the very beginning of 2019:

"Fiddleheads Food Co-op strives to be safe, welcoming, and inclusive to all. To this end, the Board has begun work, starting with a retreat in September 2018, on studying issues of race and inclusivity -- examining particularly the history of race and systemic racism in America -- and how people and institutions can cultivate change. We realize we are not perfect, and have begun doing conscious work to better achieve our co-op Ends and assess how far our ideals may be from our reality. As we begin this process we, as a Board, have begun to educate ourselves and to commit ourselves to listening and being open to what we might hear."

The Board is very excited to be working with co-op consultant LaDonna Sanders-Redmond to expand this work in the upcoming year. The work will not be easy, but it is so important to our collective future. And our current times remind us of the urgency of addressing systemic racism head on.

I am so very thankful for our little co-op with big dreams. As we smile to each other through our masks and give each other hugs online, let us be thankful for the hope that co-operation brings.

Danny Spurr  
Board President





Echoing what Danny wrote, 2019 feels like a lifetime ago. We didn't know it at the time, but this past year we laid a foundation that prepared us some for a turbulence that was to come.

Our overall focus in 2019 was on capacity building across all departments. We recognized that we needed some way to continuously

collect feedback about the customer experience and implemented the customer service survey through the registers. This provides insight into where we can improve operationally and an opportunity for individual staff members to gain recognition for their outstanding performance.

We renewed our training emphasis of putting *people* at the center. We embraced conscious intention and actions to genuinely welcome everyone, including having our ownership application translated into Spanish. Outreach expanded to include a more extensive program of classes and workshops to bring people together for empowerment in the store.

We invested resources into marketing to create more continuity and content in social media and began a redesign of the website and branding materials. We invested time and energy into the new platform for our online store.

We completed a center store reset to make the store more navigable and expand our center store offerings. Fiddleheads Kitchen celebrated its first year of operation and learned a great about seasonal shifts in demand and tailoring the menu to suit the audience while keeping offerings wholesome, fresh and inventive.

Perhaps most importantly, we prioritized professional development for staff as well as skill-shares and cross training in multiple departments to deepen the knowledge and resilience of the team.

All of this has contributed in one way or another to allow us to serve our community well in the face of the pandemic. As the shutdown began, we were able to pivot quickly, initiating new hygiene protocols, reorganizing tasks and services. We launched an expanded online ordering department with curbside pickup service, all while welcoming back "alumni" and creating additional opportunities for staff to remain employed without having to be in contact with the public.

While many of you began to work remotely and shelter in place, we found new identities as Essential Workers and resolved to face the unknowns through our shared purpose, of serving our community in a time of crisis.

Even as we all learned to practice social distancing and stay 6 feet apart, we *came together figuratively* to "stop the spread", prioritizing **community health** in a way we had perhaps never done before. Society, for a time, was dramatically transformed, and to adjust, we anchored our decisions at the co-op in the Ends statement: "**Fiddleheads exists so that Southeastern CT is a healthy, robust, just and inclusive community**" and worked at infusing that into our daily practice.

It was at turns terrifying and inspiring, and while I wouldn't wish the illness on anyone, as a co-op and a store, we are better and stronger for the awareness it has instilled.

As I write this at the start of June, we are cautiously anticipating a second phase of "opening up" the economy while at a macro level we are confronted with the deep divisions and inequities embedded in our nation. Each day we hear of new flashpoints and read headlines filled with fear. They forecast a reckoning that would tear us apart, but we can and should reframe this narrative. This should not be viewed as a battle, but as a public health crisis of an even greater magnitude.

We choose to be a co-operative because we believe in the co-operative values of self-help, self-responsibility, democracy, equity, autonomy and solidarity. We value diversity of perspective and participation; education, training and information. We value People over Profit. We prioritize and allocate economic surplus to drive sustainable development of the community.

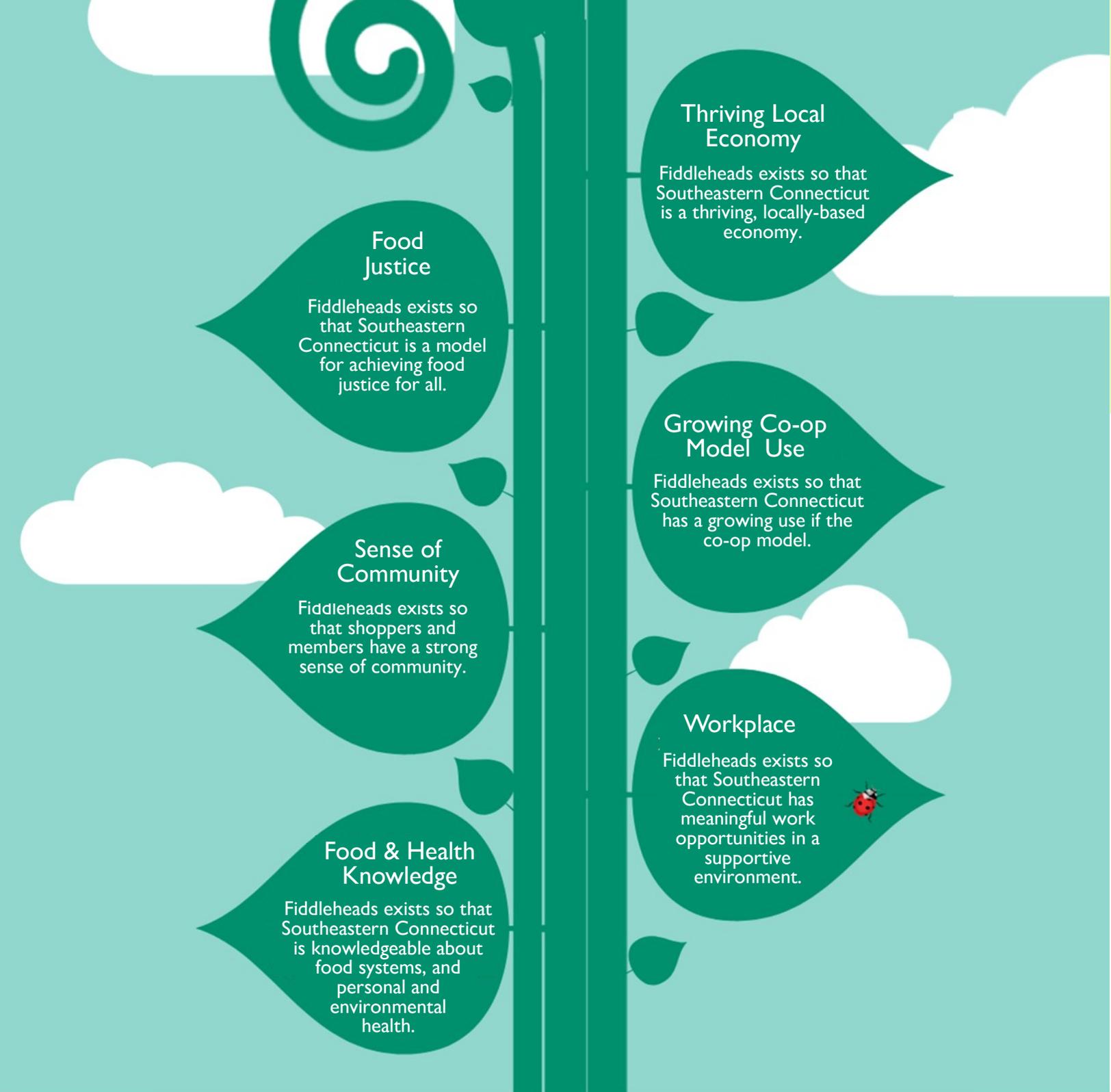
As the Board leads the co-op on diversity, equity and inclusion work, let us all absorb the lessons of our recent past and mobilize these teachings to heal ourselves.

In the words of June Jordan,  
"we are the ones we have been waiting for".

Lexa Juhre  
General Manager



**GENERAL  
MANAGER'S  
REPORT**



### Food Justice

Fiddleheads exists so that Southeastern Connecticut is a model for achieving food justice for all.

### Sense of Community

Fiddleheads exists so that shoppers and members have a strong sense of community.

### Food & Health Knowledge

Fiddleheads exists so that Southeastern Connecticut is knowledgeable about food systems, and personal and environmental health.

### Thriving Local Economy

Fiddleheads exists so that Southeastern Connecticut is a thriving, locally-based economy.

### Growing Co-op Model Use

Fiddleheads exists so that Southeastern Connecticut has a growing use of the co-op model.

### Workplace

Fiddleheads exists so that Southeastern Connecticut has meaningful work opportunities in a supportive environment.

## GLOBAL ENDS

**Fiddleheads Food Cooperative exists so that Southeastern Connecticut is a healthy, robust, just and inclusive community.**

# SEVEN COOPERATIVE PRINCIPLES

## 1 VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership without gender, social, racial, political or religious discrimination.

## 2 DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

## 3 MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

## 4 AUTONOMY & INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they 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 cooperative autonomy.

## 5 EDUCATION, TRAINING & INFORMATION

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

## 6 COOPERATION AMONG COOPERATIVES

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

## 7 CONCERN FOR COMMUNITY

Cooperatives work for the sustainable development of their communities through policies approved by their members.



Rachna Tewari of Swasthyam Wellness presenting in The Café

# Sales & Co-op Growth

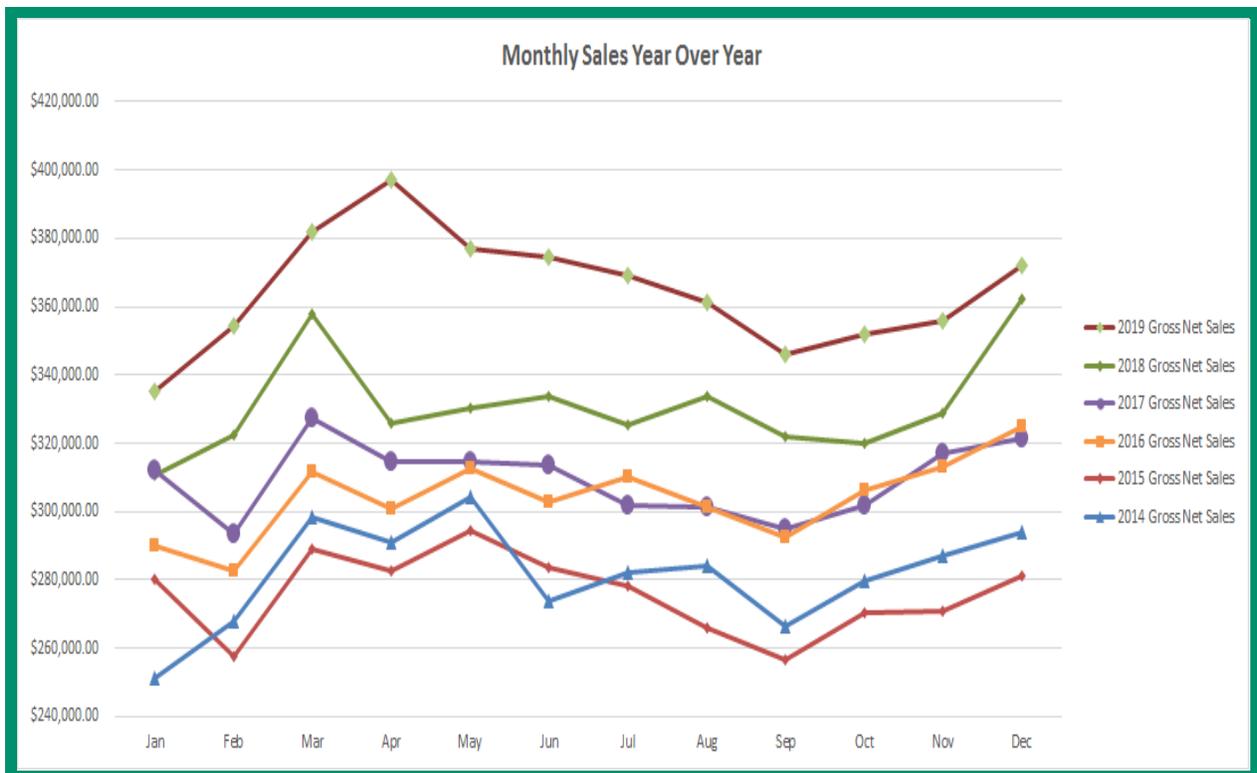
## \$ 4, 409, 675

2019 GROSS ANNUAL SALES

**9.71%**  
GROWTH OVER 2018

**61.6%**  
SALES TO OWNERS

**\$32.06**  
AVERAGE PURCHASE



# Local Product Sales

**In 2019 : You purchased over 900 different local products grown or produced within 100 miles of the co-op, representing over \$599k in sales and supporting 74 regional businesses.**

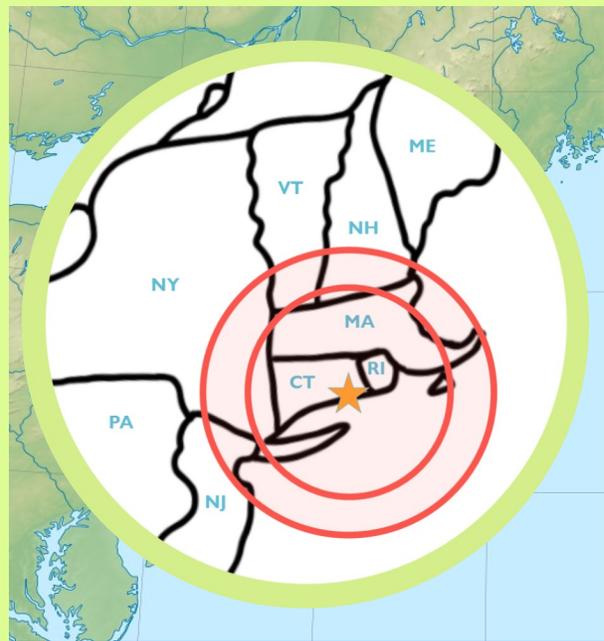
*We define "local" as grown or produced within 100 miles of our Co-op, but more than 75% of our local products come from within 50 miles.*



Hunts Brook Farm  
6 mi. from the Co-op



Provider Farm  
15 mi. from the Co-op



Tiny Acre Farm  
53 mi. from the Co-op



Brush Hill Dairy  
19 mi. from the Co-op



Mystic Cheese Co.  
6 mi. from the Co-op



Zest Fresh Pastry  
14 mi. from the Co-op



Shundahai Farm  
36 mi. from the Co-op



Cato Corner Farm  
25 mi. from the Co-op



Drew's Honeybees  
15 mi. from the Co-op



Albert's Bakery  
22 mi. from the Co-op



Beer'd Brewing Co.  
14 mi. from the Co-op



Outer Light Brewing Co.  
2 mi. from the Co-op

# Organic Sales

**USDA CERTIFIED  
ORGANIC ITEMS:**

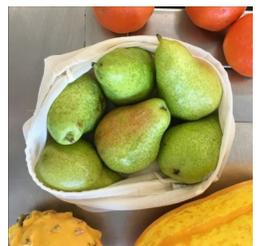
**31%**

**OF PRODUCTS ON  
OUR SHELVES  
& COMPRISING**

**45%**

**OF 2019 TOTAL SALES**

In addition to offering these USDA certified organic products, we support our local farmers, many of whom are members of CT NOFA. Connecticut Northeast Organic Farming Association is a growing community of farmers, gardeners, land care professionals and consumers that encourages a healthy relationship to the natural world. The Farmer's Pledge, a NOFA program, commits to farming, marketing and farm management in accordance with sound ecological and economic principles.



# Charitable Giving



## 2019 NEIGHBORLY NICKEL RECIPIENTS

Immigration Advocacy & Support Center  
The Recovery Residence at Enders Island  
CT League of Conservation Voters  
The Connecticut Humane Society  
Hodges Square Neighborhood Assoc.  
Teammates for Life · Aluminum Falcons  
The Flock Theatre · ACLU Connecticut  
Hearing Youth Voices · Teammates for Life  
New London Main Street

**BY BRINGING REUSABLE BAGS AND ROUNDING UP AT THE REGISTER, YOU FUELED OVER \$2,000 IN DONATIONS!**

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## OTHER COMMUNITY CONTRIBUTIONS



### IN-KIND DONATIONS

Gift Bags & Gift Cards  
to regional non-profits



### FOOD CENTER CONTRIBUTIONS

Product donations to  
Gemma Moran Food Center



### TEAM SPONSORSHIPS

2 NL Little League teams &  
support for Proud  
to TRI triathlon

# Ownership & Equity

IN 2019 WE WELCOMED

260

NEW OWNERS

AS OF YEAR END 2019  
FIDDLEHEADS HAD

3608

TOTAL OWNERS

FISCAL YEAR	TOTAL EQUITY	GROWTH YEAR OVER YEAR
2017	\$300,132	9.04%
2018	\$329,820	9.89%
2019	\$359,184	8.90%

## OWNER BENEFITS



### QUARTERLY COUPON

Four times a year (once per quarter), receive a 10% discount on the transaction of your choice.



### OWNER EXTRAS

Enjoy exclusive savings, available only to owners, on an array of products.



### VOTING RIGHTS

You're invited to attend monthly board meetings, vote for our Board of Directors or run for the Board yourself!



### HEALTHIER COMMUNITY

Your investment helps us support the local community with our Neighborly Nickel program, in-kind donations, educational programs and investments in our local farms.

# Financial Statements

## BALANCE SHEET

DEC 31, 2019

Inventory	\$260,487
Other Current Assets	\$166,480
Equipment & Leasehold Improvements, net	\$353,639
Other Assets	\$30,911
<b>TOTAL ASSETS</b>	<b>\$811,517</b>
Current Liabilities	\$233,796
Long Term Debt & Deferred Income Taxes	\$42,521
<b>TOTAL LIABILITIES</b>	<b>\$376,371</b>
Owner Equity, Common Stock, Class A	\$90,200
Owner Equity, Additional Paid In Capital	\$268,984
Retained Earnings	\$76,016
<b>TOTAL EQUITY</b>	<b>\$435,200</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$811,517</b>



## INCOME STATEMENT (P&L)

FISCAL YEAR 2019

Annual Sales	\$4,355,802
Cost of Goods Sold	\$2,764,436
Gross Profit before discounts	\$1,591,366
<b>Margin %</b>	<b>36.53%</b>
Personnel Expenses	\$1,030,951
Occupancy Expenses	\$196,611
Operating % Admin Expenses	\$282,627
Other Expenses	\$110,439
<b>TOTAL EXPENSES</b>	<b>\$1,623,948</b>
<b>NET ORDINARY INCOME (LOSS) after Taxes</b>	<b>(\$32,582)</b>

For additional information regarding the Co-op's financial performance or to receive a copy of the 2019 Annual Financial Statements, reviewed by Wegner CPAs, LLP, please contact Lexa Juhre at gm@fiddleheadsfood.coop.



# YOU

are the  
**Co-operative Difference!**

**Fiddleheads is more than a store,  
we are a community!**



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