

OUR DELI WILL BE SERVING A HOT SOUP OF THE DAY - EVERY DAY OF THE WEEK!

(VEGGIE & MEAT OPTION AVAILABLE)



Well, I'm excited!

Our giant Member/non-member survey is active and awaiting your input (Thank You to all who have already taken it!). Go toDurangoNaturalFoods.coop to take our survey.

The last giant survey was 2 years ago and we've changed considerably since then. Who are we now? What do we want going forward?

How important is our Survey?

Would "Super-Duper Important!" be too hyperbolic? Maybe to some but getting this feedback helps us develop our plans for the next couple of years. It tells us if we are satisfying our Members and shoppers. It gives us direction as to what specifics to look into. It helps define us. It helps us serve our Membership better.

This is your store!

Sounds funny, doesn't it? But it's true. The very structure of a Co-op dictates that you became an owner when you joined. As someone who works for you (the owners) it's imperative I know what you want and how you feel!

Of course, you're one of many so while each of us is very important, there is power in numbers and the more voices heard helps us determine our commonalities and inclinations.

We are a democracy!

Sure, the main opportunity for Members to participate in our democracy is to vote for the Board of Directors. But that only goes so far as the Board doesn't actually run the Store. They set overall direction, oversee the GM (me) and deal with major crises. It's the Staff along with myself that actually run the store and makes the decisions that affect your experience while at our Co-op.

Surveys are an important part of democracies. They help keep us on track with how our Membership perceives us and values us.

Surveys are not Polls

Polls use algorithms on who to ask and using a small group, are able to forecast what the larger group thinks and would do in a given situation.

For surveys to work, they need a large number of folks to take them – the more that respond, the more accurate our results are. Unlike polls, we want as many folks to take it as possible. Especially the folks that normally won't take a survey (is that you?)!

Whoa! Hear this! This survey is looong!

It flies in the face of what survey experts say a survey should be – short, quick, easy answers. Nope. Not here. We want everyone to spend just a little bit of time thinking about and participating an important segment of the business that they own. It's really worth it!

We put in a lot of opportunity to free-form your responses. We read every response and many thoughts expressed in the last survey have been implemented!

It's about Community

We all talk about the fragmenting of society and the loss of community. Co-ops stubbornly say that our community is important. We stubbornly say that a business can be successful and thrive even if we put the common good before profits and exploitation of the consumer.

It's about having a safe place in our community where all folks are honored and belong. It's about walking the walk in creating a better society and environment.

Your time is valuable!

We recognize this, so for everyone one who takes the survey, we will put a 15% off your entire purchase coupon in your account which can be used through Nov, 30!

And here's the "But Wait! There's More!" bit. Take the survey and you will be entered to win one of ten \$50 gift cards! How cool is that? Get a 15% discount, help your Co-op greatly and then get a chance to win a gift card! What a spectacular opportunity! (am I going a bit overboard here? But here's the thing: Please Take Our Survey!)

Please Take Our Survey!

That's the message here. This is the best opportunity to take part in your Co-op and it's worth the time and energy that we all put into it. Wouldn't it be great if we can get 75% of us to take it! Truthfully, a 10% response to a survey like this is considered very good but our last one in 2019 had over one third of our Membership responding! Wow! Wouldn't it be great to get more for this one!

We have been through a crazy two years. We've added hundreds as Members. Our revenues have doubled. Our Co-op is vibrant and growing!

Help us move forward! There are some pretty big challenges coming up and connecting as a collective group through this survey will definitely help us face these them! So in closing -- please take our survey!

DurangoNaturalFoods.Coop

TAKE OUR SURVEY!!





etop deals.

NOV 3 - NOV 16, 2021

endless possibilities

Pre-heat the oven, and create scrumptious baked goods with Bob's Red Mill All-Purpose Organic Flour. Pumpkin pastries? Check. Satisfied roommates, friends and family? Done.



6.49
Bob's Red Mill
Organic All-Purpose Flour
5 lbs., selected varieties



2/\$4 Farmer's Market Organic Pumpkin 15 oz.



5.49 Wholesome Organic Cane Sugar 2 lbs.



4.49
Vital Farms
Pasture-raised
Eggs
1 doz., selected
varieties



5.49
Lily's
Chocolate Baking
Chips
9 oz., selected varieties



2/\$6 Santa Cruz Organic Apple Sauce 23 oz., selected varieties



4.99 Siggi's Whole Milk Yogurt 24 oz, selected varieties



Shop the co-op for your seasonal baking items.

Warm your home with baked goods.

VISIT OUR WEBSITE FOR MORE CO-OP DEALS!

FIND MORE RECIPES AT WELCOMETOTHETABLE.COOP



SPICY PUMPKIN SOUP



SOUP

- 2 tablespoons vegetable oil
- 1 1/2 cups diced onion
- 1/2 cup diced celery
- 1/2 cup diced carrots
- 11/2 tablespoons minced jalapeño, seeds removed
- 11/2 teaspoons ground cumin
- 1 teaspoon garlic powder
- 3 cups pumpkin puree (canned or fresh cooked)
- 2 cups vegetable broth
- 1 1/2 cups milk
- · Salt and pepper to taste

CHIPOTLE SOUR CREAM

- 8 tablespoons sour cream
- 1 teaspoon finely minced chipotle pepper in adobo sauce (see Note)
- 1 tablespoon minced cilantro

Preparation

- 1. Heat 2 tablespoons of vegetable oil in a large stockpot over medium heat. Saute the onion, celery, carrots, and jalapeño peppers, stirring frequently, for about 10-15 minutes. Add the cumin, garlic powder, pumpkin puree, broth, and milk. Bring to a simmer for another 5-10 minutes. Season to taste with salt and pepper.
- 2. While the soup is cooking, blend the sour cream ingredients together in a small bowl. Place a dollop of the sour cream on each soup serious.

CREAMY PUMPKIN PASTA WITH SEARED MUSHROOMS



INGREDIENTS

- 1 lb. pasta spirals (whole wheat or gluten-free are fine)
- 3 tablespoons extra virgin olive oil, divided
- 8 oz. button mushrooms, thinly sliced
- 1/2 teaspoon smoked paprika
- 1 large onion, chopped

- 3 cloves garlic, chopped
- 115-oz. can pumpkin
- 1 tablespoon fresh rosemary, chopped, plus more for garnish
- 1/4 cup white wine
- 1 cup cream
- 1/2 teaspoon salt
- 1/2 teaspoon freshly ground black pepper
- 3/4 cup Parmesan cheese
- 1/2 cup fresh parsley, chopped

Preparation

- 1. Put on a pot of salted water to boil for the pasta.
- 2.In a large skillet, heat 2 tablespoons of the olive oil over medium-high heat and add the mushrooms. Stir frequently for about 5 minutes, until the mushrooms are browned and soft. Sprinkle with smoked paprika and salt and toss to mix. Transfer the mushrooms to a bowl and keep warm.
- 3. Add the remaining olive oil to the pan, then add the onions. Saute, stirring, until the onions sizzle, then reduce the heat to medium-low. Cook for at least 5 minutes. When the onions are soft, add the garlic and rosemary and stir for a few seconds, until fragrant.
- 4.To the pan, add the pumpkin, wine, cream, salt, and pepper and whisk to mix. Raise the heat to medium-high and bring to a boil, then reduce to medium and simmer vigorously, stirring frequently, for about 5 minutes or until thickened. While hot, whisk in the Parmesan cheese and stir to melt.
- 5. Cook the pasta according to package directions. Drain and toss with the sauce and parsley. Serve hot, topped with seared mushrooms.



RING

DELI WORKER

WANT TO WORK IN A FUN,
FAST-PACED, CO-OP
ENVIRONMENT?

FULL-TIME/PART-TIME

AVAILABILITY

PLEASE EMAIL YOUR RESUME AND APPLICATION TO MADS@DURANGONATURALFOODS.COOP.

FIND OUR APPLICATION AT DURANGONATURALFOODS.COOP/EMPLOYMENT.



Fundamental Needs works with underprivileged communities to alleviate the suffering caused by inadequate access to education, electricity, clean drinking water, a heat source, and a proper food source here in the United States.

NEW ROUND-UP AT THE REGISTER RECIPIENT! | ASK A CASHIER TO LEARN MORE!

Background

Since being established officially as a 501c3 at the beginning of 2021, Fundamental Needs has delivered 1500 boxes of food to the Four Corners area: distributed hundreds of jackets to Rock Point; and delivered firewood to numerous elderly homes. We have installed three water systems in the Rock Point/Sweetwater area through our Oasis Project. Fundamental Needs has also installed a wood burning stove for one household. Lastly we have planted more than 40 apple trees and assisted the University of Arizona extension program in building two greenhouses in the Rock Point area to begin building food sovereignty in the region.

Start Date - July 2021

Contact info

Justice Ramos 325-829-0949 Justice@Fundamentalneeds.net www.Fundamentalneeds.net

The Oasis Project

Challenge

In far too many parts of rural America, water, power, heating, sewage, and food deficiencies know no boundaries. More than 2 million Americans live without basic access to safe drinking water and sanitation. 35.2 million Americans live in food-insecure households. 9.0 million adults live in households with very low food security. 5.3 million children live in food-insecure households in which children, along with adults, were food insecure. There are roughly 125 households who rely on the local Chapter Houses for fresh, clean water.

Solution

We are looking to address this by installing off-grid water systems throughout the area across several tribal communities with the first being on the Navajo Reservation around the communities of Rock Point and Sweetwater Arizona. Our water systems include utility sinks, water tanks, solar-powered water pumps, water heaters, greywater gardens and water purification systems.

Additionally, we will be hiring from the Rock Point high school work program to build and install the systems. The curriculum being developed will include topics on construction, plumbing, agriculture, greywater, solar, electrical, and financial literacy. With the assistance of the school board we deemed these topics most relevant and crucial to sustaining a lasting change in the area in regards to food sovereignty and WASH access.

DNF'S SOUNDING BOARD



TAKE OUR CO-OP SURVEY!

EARN A ONE-TIME-USE 15% OFF COUPON WHEN YOU TAKE
OUR CO-OP SURVEY! VISIT DURANGONATURALFOODS.COOP
FOR MORE INFORMATION!

OUR NEXT MEETING IS WEDNESDAY, OCTOBER 20 FROM 5:30 PM - 7:30 PM



Cody Reinheimer
President



Weston Medlock
Vice President



Elizabeth Shephard Board Member



Don Lewis Treasurer



Sheryl McGourty
Board Member



Victoria Mordan Board Member



Alyssa Rainbolt Board Member

YOUR VOICE MATTERS!
BOARD@DURANGONATURALFOODS.COOP



MESSAGE FROM THE BOARD

DON LEWIS,
BOARD TREASURER

Many of you may have attended the Harvest Festival that occurred on October 3rd, which was both a celebration of the community that supported our store through the last 19 months, and also an opportunity to gain perspective on the state of the Co-op by reading over the Annual Report and speaking to our General Manager and Board Members in person. As we head into the final quarter of the year, all of you should know that there is reason to smile.

For the last several months the store has repeatedly reached new heights, surpassing sales records while learning how to manage the increase in business. Our General Manager has prioritized staff retention to keep the wheels turning during these high volume months, and in the process Joe (the GM) has created a rewarding culture both in terms of healthy wages and a spirited work community. So many of us enjoy the positive, friendly and outgoing staff that we encounter when we shop. The feeling is reciprocal, as DNF staff appreciates serving a vibrant community of shoppers who value socially responsible business practices, food justice efforts, the support of small-scale local producers, and the lessening of environmental impacts that are represented by DNF's cooperative business model. It has been amazing to watch our small store thrive in response to such value-driven choices.

Nonetheless, there are challenges. Over the years member-owners, both past and present, have joined the Board to help navigate our store through a constantly evolving landscape. Through Board participation these members have had the opportunity take a hard look at the challenges that DNF faces, both in the short term and over the long run. In an increasingly competitive market we all know that our strength lies in attracting members who resonate with our values, enabling us to remain resilient in the presence of larger supermarkets driven by profits extracted through economies of scale. The hard realities of running a smaller cooperative business in this environment demands Board involvement in strategic decision-making that both supports the store in the short term, while not disabling the long-term need for sustainable growth.

Knowing this, the Board is deeply grateful for efforts of Management and Staff at this time, who have successfully operated the store with outdated infrastructure and the limitations that it presents, the most obvious instance being the failure of several old and very expensive refrigeration units this summer. The ongoing expenses associated with our longstanding physical building are real, as are parking, inventory, and deli space limitations. Board involvement with envisioning a strategic plan to carry us forward into the future is constantly pressured by the ongoing need to support Management in maintaining daily operations within our existing context. Certainly, one needs to have the time and space to sincerely offer their service to the Board in order to remain aware of the shifting needs that running a small store at capacity presents. Our current Board is looking forward to an annual Board Retreat in November, where we will work on fine tuning Board dynamics to efficiently and effectively support the Co-op through its natural growing pains and focus on addressing issue pertinent at this time.

In light of this, we are compassionately sensitive to the fact that Board members may determine they are unable to serve. Occasionally, a Board seat opens up. We are happy to announce that an opening on our Board has been filled, and due to recent elections, we had the opportunity to fill that spot with a member-owner that had support through our democratic process. We are happy to welcome Alyssa Rainbolt to our Board. She is the Membership-Coordinator for Great Old Broads for the Wilderness and brings a strong background in non-profit work, project management and event planning. We are thrilled that she has the willingness to step up as an engaged participant in navigating DNF into the future.

Speaking of the future and engaged participation, there are a few things I would like to bring your attention to, both near term and far. On the immediate horizon is an October Survey (our first in two years) that inquires of members what needs they have and how the Co-op can best serve them. Please take the time to respond to the survey. Also, please know that any interested MO's who are wanting to engage more with the journey of Durango Natural Foods are always welcome to participate. We have had several MO's reach out to the Board in the past months, expressing their support and offering themselves in small ways to be of service. Please join us and other MO's at our Board Meetings, which happen the 3rd Wednesday of every month from 5:30-7:30!

Lastly, we want to bring your attention to a major project that the City of Durango has planned to restructure traffic along College Drive and 8th Avenue. The construction of this project will impact accessibility to our business during the summer of 2022. We certainly hope that our recent successes that have emerged from a supportive customer base will continue through next summer and beyond. Please know that the long-term viability of our Co-op depends on an informed membership that is willing to take the extra step necessary to sustain our business through challenging times. The Board would like to thank each of you for the efforts you make to support our local, member-owned cooperative, and look forward to your continued support as we continue to navigate these constantly evolving landscapes!

In Gratitude,
Don Lewis. Board Treasurer



Annual Report



The Corona Virus

Covid has changed all of our lives. The past year and a half has been especially difficult on our Staff.

The challenge is not over yet and there are, as always, differing opinions as to how to move forward.

The Management Staff (12 employees) meets weekly and covid protocols are revisited each meeting to see if a change is warranted.

Currently, there is agreement that we advise masks for the unvaccinated and it's a personal choice whether to wear masks if you are vaccinated.

We follow the orders and mandates of the San Juan Basin Health Department, the City of Durango, and the State of Colorado.

Look for the Red
<u>Member Sales</u>
tags for increased
savings!

General Manager Report

by Joe Z

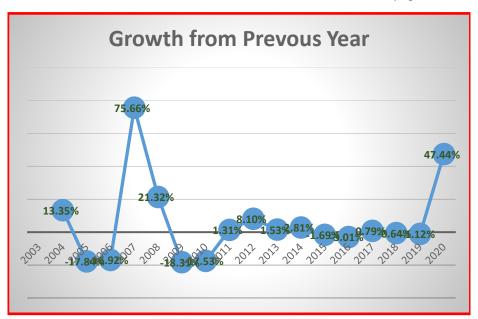
To All Co-op Members,

2020 is a year most of us would like to forget. It was very challenging for us on quite a few levels.

The year started with most of us hopeful that the Corona Virus would not impact us very much. Unfortunately, that was not to be and in March, nationally, the virus hit.

That March the hording that transpired produced our highest weekly revenue than we ever experienced – a crazy week that depleted much of our inventory. This as we know happened to most grocery outlets and the longer-term effect was that the supply chain was curtailed and many empty shelves stayed with us for weeks.

Continued on next page



While only part of the story, our revenue growth is very important. Flat growth is okay if the business is producing at a good rate which wasn't the case here. We straddled no growth until 2020 where we reached a record revenue rate. This same growth trend is continuing through 2021.

Continued from previous page

We immediately closed our Deli and most of that Staff was laid off (we asked for volunteers first). Deciding that we wanted to keep our Members and Shoppers as well as our Staff as safe as possible we closed the physical store and went to curbside only.

While our Curbside effort was hugely successful for what it was, revenues dropped to lows not seen in years and having a "personal shopper" for every order is hugely expensive.

The Store was reopened with limited hours and a stringent mask and glove policy. Slowly, revenues increased and by the end of July, we were back to where we were before Covid was on our radar.

By July, we were getting used to the new flow and were able to implement many of the plans that were put on hold when the virus hit. Revenues since then have increased monthly so far to Aug 2021.

We ended 2020 with over \$20,000 on the bottom-line which may not sound like a lot but was a huge turnaround from negative \$21,000 in 2019 and negative \$108,000 in 2018. Revenue in 2020 showed over 47% growth over 2019 and produced a positive bottom line while increasing wages for our Staff.

Staffing

The bottom-line is always important. A huge component of that is how we compensate (and treat) our Staff.

At the end of 2019, we had 27 Staff Members. One Staff Member was above \$15/hour. Two were at \$15, four were between \$14.00 to \$14.50 and the rest were at \$13.31.

We spent a lot of time and energy on our Staff and most of our profits since the start of 2020 has gone to create a pay scale that is tiered and robust. We are starting to be competitive with our competitors for wages.

Currently we have around 40 on our Staff with the starting wage at \$14.00. Six are at \$18.50 or above. Five are at \$17 and five are at \$15.50 or \$16.00. The majority of the entry level Staff have been here less than a year.

Our goal is to get the starting wage to \$15.00 with an increase of \$1/hr. for all Staff. This would necessitate around a \$600,000 increase in revenue from where we are now to accommodate that.

We also offer Staff a 20% discount on purchases in the Store. If they are Members, they can combine their Staff discount with any Member discount available. Each Staff

Year	Taxable Income
	meome
2007	(51,856)
2008	101,753
2009	(15,308)
2010	18,352
2011	2,114
2012	583
2013	3,445
2014	(30,719)
2015	(43,946)
2016	(108,567)
2017	13,008
2018	(107,600)
2019	(21,635)
2020	21,668

Taxable income is also known as profit and we can see this part of the equation can be challenging.

The large profit in 2008 is attributed to one of the other Natural Foods stores in town being temporarily closed.

A store can operate in the red for a few years depending on various factors but for a store our size, anything over a \$20,000/yr loss is concerning as well as multiple year losses over \$10,000.

The cumulative loss from 2014 to 2018 is too much and our Co-op essentially red-lined and was put on life support. What emerged was essentially a "new" Co-op which meant starting at zero in 2019.

What happened prior to 2019 is interesting but not relevant (mostly – the delayed maintenance on our property and equipment is very relevant). We've redirected our Co-op and are on a much more solid footing --- all while doing this through the Corona Virus.

The positive bottom line in 2020 is very promising when we factor in the large increase in wages. 2021 is trending towards another positive year.

Member, not just full time, also accrues sick/pto and vacation time based on hours worked.

Low wages are the norm in the grocery business and enables very low prices in some stores. We believe that fair wages and fair prices are a must for Co-ops although that is often more difficult to achieve in today's highly competitive environment. The vast majority of Staff feel we are a great place to work.

Stability

What we are seeking for our Co-op is Stability. In today's world, that's a tall order for any businesses: just witness the bankruptcies and merging of businesses over the last 5 years. Covid has made it all the more difficult.

In a nutshell, personally I see stability as such: a predictable income path as well as predictable costs and also include fair Staff compensation, a low turnover rate, a bottom-line that is 1%-3% of sales and cash on hand that is 30% of sales.

Currently, we are still working on our pay structure, the staff turnover rate is high, the bottom-line may fall within the good range this year but cash on hand is not even 10% so we have a ways to go before I would certify us as "stable".

But we are growing towards stability from where we were at the end of 2018 when the collapse of our business seemed inevitable. 10% cash on hand is better than negative cash on hand as we were in 2018. Plus, the doubling of our business means that we now have the ability (cash) to fix our long-neglected infrastructure. We are on a good trajectory. It still will take us a few more years to achieve solid stability.

Others, such as banks, may look at us as stable right now. And they would be correct as we look at our business in the short term (1 to 3 years). Our property is worth much and we are turning profit monthly. But we are taking a longer view though as nothing stays the same anymore and we have some challenges coming up so what is true this year may not be so for the next few years. We are working on being prepared.

Our Challenges

- * We have no solution to our small size and small parking lot. This will eventually plateau our income though we are not there yet.
- > Unseen to most folks is our incredibly cramped work environment for Staff in our warehouse. There are no offices, just work spaces jammed amongst the backstock.
- > With a larger store, most product fits on the shelf and there is minimal backstock. We cannot do that so we must stock all day increasing our costs.
- > Not only is our parking lot small but it is shared with all of our delivery trucks with the larger ones bisecting our lot sometimes for hours.
- * Most of our refrigeration equipment was purchased used many years ago. The stuff just doesn't last forever but replacing it with new is very expensive and works against our goal of stability.

We carry more **Local Products** than others, including: City Farms **Outlier Farms Luy Tempeh** SolaVita Turtle Lake Refuge Inner Joy Sol Vista Farms Twin Buttes Farm Sarvaa Super Foods James Ranch **Banga Farms** Laz Ewe 2 Bar Goat Dairy

The Importance of The Bottom Line

A business can run in the red for a few years with no detrimental effects as long as it doesn't overrun the deprecation amount by that much.

Major alarm bells should have been going off in 2014 to 2016. If there were known investments or known business disruptions (fires, earthquakes, snow), well, that's good to know but immediate remedial actions still needed to be taken.

2021 should end with a positive bottom line barring unforeseen events. The question is, "How much is good?"

Co-ops have long had the motto of "People before Profits!" which is a good motto but often was interpreted that profits are bad. They are not (though the next question though must be, "at what cost?")

For a store our size, \$20,000 to \$50,000/yr. bottom line is considered good as long as Staff is compensated properly. Less than that is okay but not satisfactory in the long run.

Size Matters

Grocery Stores are very expensive to run. We also exist in a very competitive market so we can't simply raise our prices as expenses rise. To survive, grocery stores rely on volume to generate the necessary funds.

Volume allows us to stay competitive on price. We make less profit on each item so we must sell more. It also allows us to often buy product at reduced rates.

Stores must be a certain size to accommodate volume. From parking to space in the aisles to number of checkouts, our Co-op is near it's limit to how much volume it can sustain.

Luckily, as we achieve that upper limit, we will be profitable enough to maintain and plan for the future.

However, threats that curtail our current volume could be difficult after we have had so many gains the past 2 years.

- * Local! We love local and we're dedicated to featuring our local vendors especially produce!
- > But local has its price. Dealing with many individual vendors is very time-consuming increasing staffing costs. It's worth it but it's a challenge.
- * The City is planning a redevelopment of our corner in the summer of 2022. Not only will there be a lot of construction but the end result may make access more difficult. This is actually a big deal and unless changes are made to the current design, it could jeopardize the health of our Co-op. We are currently discussing this with the City.
- * As stated, our small size necessitates increased staffing for stocking and local. This makes it more difficult to get to our immediate goal of a starting wage of \$15. Pressure of increasing wages will continue even after our goal is met. Wouldn't it be great if we can offer health care!

Our Possibilities

While the challenges are serious, we also have possibilities as to what path we can follow. This is currently being brainstormed by the Board and Staff.

Relocation is of course the most obvious but there aren't many places that would be suitable for us. Perhaps opening another location?

If we move our Kitchen to another location, we would be able to up production and will gain some room in the back.

Elevated offices above the parking lot which maintains parking and increases backroom space.

Partnering with other businesses for a relocation.

We are currently in a good spot both financially and location. Each year that passes right now makes us stronger and more enabled to make far reaching decisions.

We still have 5 more years on our mortgage and while our monthly payments are a little high, our debt load is quickly coming down. The mortgage is actually low considering the value of our property and business.

WE HAVE OVER 1700

ACTIVE MEMBERS!

TURKEYS ARE HERE!

FERNDALE MARKET WHOLE TURKEYS



10 - 20 LBS. AVAILABLE
HURRY & GET YOURS TODAY - THEY'RE FLYING OUT!
PLEASE ASK A CASHIER FOR ASSISTANCE