

A photograph of the Viroqua food coop building, a modern structure with a gabled roof and light-colored vertical siding. The building's name is displayed in large, white, three-dimensional letters on the front facade. A green circular logo with a white plus sign is positioned between the words 'food' and 'coop'. The building has a covered entrance area supported by stone pillars. In the foreground, there are various plants, including purple flowers and green foliage, and a wooden pergola structure on the right side. The sky is clear and blue.

Viroqua
food  op

Annual Report

FY 2021

| July 1, 2020 – June 30, 2021



Peter Bergquist, President

Elizabeth Tigan, Vice President



Aurora Boyd, Secretary

Olive Reynolds

Julie Tomaro



Lizzy Hauke

Andrew Anderson

Our Mission

The Viroqua Food Co+op combines a commitment to natural foods, superior customer service and the building of a cooperative business. We emphasize organic and local foods and products to promote the long-term health of individuals and the environment. As member-owners and as a center for community, we offer the opportunity to create together a work of enduring value.

Board of Directors

Peter Bergquist, President
Elizabeth Tigan, Vice President
Aurora Boyd, Secretary
Eric Snowdeal, Treasurer
Olive Reynolds
Julie Tomaro
Lizzy Hauke
Andrew Anderson, Appointed
vfcbod@viroquafood.coop

General Manager

Jan Rasikas
jan.rasikas@viroquafood.coop

From the Board of Directors

Peter Bergquist, Board President

Throughout the pandemic our business has changed, but we have adapted and are more resilient today. I hope someday soon we will again be able to share food and drink while we govern our Co-op together.

We have over 80 employees and are still hiring as available workers are limited. A heartfelt thanks to our membership for supporting the health and well-being of our staff and community through this time.

Grocery businesses and co-ops have changed over the course of the pandemic. Our margins are much different as typically our deli hot bar and salad bar have historically been our best sellers. Shoppers' habits have changed – more people are cooking or eating at home and spending more on groceries. Even with reduced services in a few departments, we continue to fulfill our mission to provide access to high quality local and organic food products.

We have made some impressive achievements during this past year, exceeding our plans to break even on our Net Income from Operations. The financial health of the Viroqua Food

Co+op (VFC) is sound as we head into the second year of the pandemic and fourth year of our seven-year economic plan. There are more details about our financial picture for Fiscal Year (FY) 2021 ending June 30, 2021, in the financial reports on pages 14 and 15.

We continue to face challenges due to supply chain delays and availability of many products in our store. We are optimistic we will continue to find new options and choices to meet your needs.

In October 2020, we welcomed two new members, Lizzy Hauke and Julie Tomaro, to the VFC Board.

The Board appointed Andrew Anderson in July 2021 due to an unexpected vacancy. One of our Board Members, Eric Snowdeal, passed. To Eric's family, friends, and those who knew Eric, we hold you in our hearts. Eric's passion and knowledge for cooperative work, and the humor he brought to the Board table, will always stay with us.

We hope the work we do here continues to honor his legacy.

Growing Strong

Jan Rasikas, General Manager

Congratulations to us!

We've fulfilled our post-expansion predictions and grew another million dollars in sales, topping \$10.2 million for Fiscal Year 2021. In fact, we've grown about \$1M per year in sales, for three post-expansion years in a row!

We accomplished much more than sales, though. We increased starting wages for employees in three entry levels by an average of 16%. We recovered a few margin points by tightening up systems and reducing expenses. And we're once again actively moving toward less use of plastic storewide.

Even with our successes, the second year of the pandemic continued to present challenges to the Co-op, and to the grocery industry in general. Manufacturers struggle to source packaging like glass and cans. To cope, they are pulling back on varieties and flavors. Distribution centers are short on warehouse workers and truck drivers. Many companies have simply not survived. All of this keeps us on our toes for sourcing the types of products you love.

But here's a bonus to all the disruption – it has strengthened sales of local products! Local purchases grew by \$400,000 over

last year, and that in turn improves our local food economy by keeping more dollars in our community. We're fulfilling our Mission to support local food producers!

Despite the upheaval of Covid-19 restrictions, a brief recession, packaging shortages, obstacles to sourcing, hiring shortages, and the mounds of paperwork we prepare for important stimulus programs – we did very well in FY 2021.

Our CPA finalized a clean audit with no recommendations for change. Net Operating Income measures our performance during the New Markets Tax Credit seven year period. Fiscal Year 2021 is the scheduled break-even year for Net Operating Income, and we achieved it!

A great BIG thank you and shout out to VFC Owners and shoppers who let us know every day how important the Viroqua Food Co+op is to our community.

Many thanks to the VFC Board, and our Managers & Staff, for their work to support the success of our Co-op. Staying flexible is key and we're getting good at it! To safeguard and steer the Cooperative during a global pandemic is no easy feat. I'm proud to be on the team.

Co-op Principle 1: Voluntary & Open Membership



total owners

4,382

new owners FY 2021

192

"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."

VFC Mission

“As member-owners and as a center for community, we offer the opportunity to create together a work of enduring value.”

building the local food economy

In FY 2021, we had a significant impact on the local food economy through the sale of locally grown and produced foods. While restaurants closed down and public events dwindled away because of the pandemic, the Co-op remained a steady and important outlet for local product sales for many growers and producers.

VFC Owners and shoppers bought an astounding \$2.8 million of locally grown and produced food, which was nearly 28% of our total store sales!

Our Co-op continues to prioritize local food in important

ways. For example, we are often the first market for local farmers and producers to sell their goods. In FY 2021, we sold \$245,000 of products from ten businesses that house their operations at the Food Enterprise Center in Viroqua. And through our Microloan Initiative Program, we help local growers and producers grow and expand their business.

We cultivate community by connecting customers with those who produce their food, and in doing so, create a work of enduring value for our Co-op, local farmers and producers, and the community we serve. Thanks for shopping at the VFC!



local product sales

\$2.8M

total local sales

28%

of all sales

from over 200 local food & non-food producers located within a 100-mile radius of the Viroqua Food Co+op

FEC* product sales

\$245K

total sales

from ten producers located at the Food Enterprise Center (FEC) 1201 North Main Street in Viroqua

local purchases

2,524

pounds



local garlic sold

22,119

pounds



local sweet potatoes sold

56,368

ounces



local honey sold



Profound Appreciation for VFC Staff

Alycann Taylor, Human Resources Manager

How do you express gratitude when the words thank you are simply inadequate? That is how I feel about the efforts and care that the Viroqua Food Cooperative Employees displayed and performed in Fiscal Year 2021.

In the past year, we all continued to face extraordinary realities. As much of the world was shuttered, grocery workers were officially recognized as essential, and our staff stepped courageously into this new world to serve our community.

Our workplace changed almost daily, and the VFC Employees consistently showed their resilience, their ability to work together, and to adapt. From working behind Plexiglas, wearing masks, social distancing, and cleaning protocols, to new leave policies, last-minute schedule adjustments, new packaging,

capacity issues, no bulk, no salad bar, yes bulk, still no salad bar, the list goes on and on and on... Through all this, our staff showed up in the best way possible.

Together they stood strong and proud, holding each other up, unified in their efforts. No matter what was presented for these employees, they continued to do what they do best: they served our community with patience, kindness, and care.

As Human Resources Manager, it is profoundly moving to work for these incredible humans. It's important to pause and show our deep appreciation for the amazing efforts these employees provided the Viroqua Food Cooperative. It's even better that many of you also took the time to acknowledge their efforts. I thank them and I thank you.

What our customers are saying:



"Everyone is always so friendly and helpful. If I want something that is out, it will appear very soon after. I love my Co-op!"



"The choices are very good. The staff is friendly and welcoming. They are always eager to help. If an item is no longer available, they offer suggestions."



"The fresh food selection is great. The prepared food is yummy. The staff is very friendly, and always helpful. We love you folks. It is always about quality of food and service; and a clean and safe environment to shop in."



"Great bulk selection. Incredible local produce selection. Friendly people. Lovely esthetic. Just passing through town and I'm glad we stopped in!"



"The staff is important to the shopping, they are readily available, ask if I am finding what I'm looking for, and in general have upbeat attitudes. I can tell that they enjoy working at the Co-op. I was offered help twice and the cashier made sure I knew the details of the survey receipt."



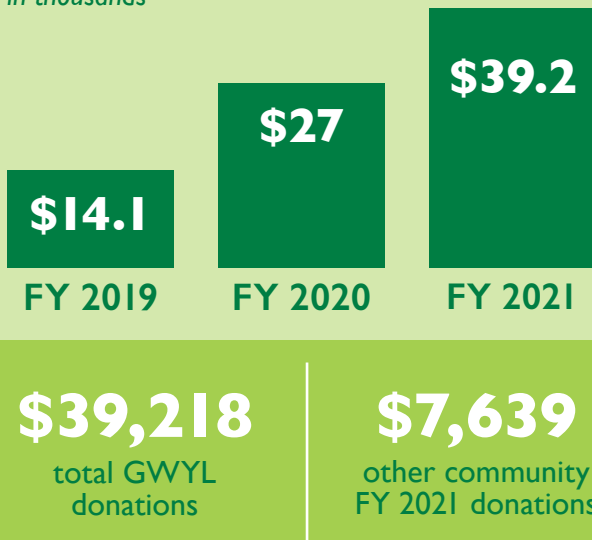
"From the moment I walked into the store, I could tell I was going to have a great shopping experience. The store is always so clean and well lit. There are always staff members around to ask questions if I have any. What I was looking for was easy to find and check out is always a good experience. Great job Viroqua Food Co+op!"



Co-op Principle 7: Concern for Community

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

Give Where You Live Donations in thousands



Give Where You Live

Thanks to the generous participation of VFC Owners and shoppers, along with funds donated by VFC's 1% Wednesday sales, we donated an astounding \$39,218 to 12 local nonprofits through our Give Where You Live (GWYL) Program!

Thank you, co-op owners and shoppers. Your participation supports the many local nonprofit initiatives that do great work in our community. Create local change with your spare change and keep rounding up!



VFC Co-op Community Fund Grant

The Co-op Community Fund (CCF) Grant awarded the Viroqua Family & Children's Center \$600 to provide their clients with holiday food baskets.

With the absence of the Community Dinner last year, these gift baskets provided good, nutritious food and helped Family and Children's Center clients feel connected to the community. The Viroqua Family & Children's Center serves 60 community members that are diagnosed with severe and persistent mental illness.

CCF applications are accepted through October each year.



Microloan Recipient

The Viroqua Food Co-op Microlending Initiative awarded Thoreau's Garden a Microloan of \$3,500 to buy a pickup truck used to transport materials like soils, rocks, containers, etc., as they make deliveries. Thoreau's Garden is a full-service greenhouse and retail shop on Terhune Street in Viroqua and is run by students and faculty of Thoreau College.

Through the Microlending Initiative, the Viroqua Food Co-op aims to strengthen small, local farmers and producers that are part of our local food system by providing small, interest-free loans to create opportunities to improve their operations. Applications are accepted through mid-January each year.



Environmental Impact

sustainable environment

Each year, we proudly announce the work of our solar voltaic panels. Since installation on November 8, 2018, those solar panels have generated a total of 148,874 kilowatt hours of electricity. It isn't easy to conceptualize what this means so we utilize the EPA's greenhouse gas equivalencies equation to look at the impact our solar panels had last year – for our business, our local community, and our global environment! Check out what 60,547 total kilowatt hours from FY 2021 looks like below.

Our Seven International Cooperative Principles serve as guidelines for the VFC as well as co-ops around the world. We covered Principle #7 on pages 10-11, but we think Concern for Community extends to the environmental impact we can make. While these energy alternatives are quiet, passive installations here at the Co-op, you can check out our solar kiosk-computer screen at the Customer Service desk to see its daily community influence.

60,547 total kilowatt hours of electricity is equivalent* to:

= 5.7 homes' electricity use



= 56 acres of forest worth of carbon sequestered



= 1,877 gallons of gasoline consumed



= 94,379 pounds of carbon dioxide removed from the atmosphere



*Results based on one year of energy equivalence. More info here: www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

charging stations & solar panels

Our Ends Statement directs the actions of the Co-op. The installation of our 132 solar panels, along with our two Electric Vehicle (EV) Charging Stations exemplify our commitment to such policies. For example:

VFC exists so that our community is empowered.

Our community:

e1. has access to socially and environmentally responsible products and services, and

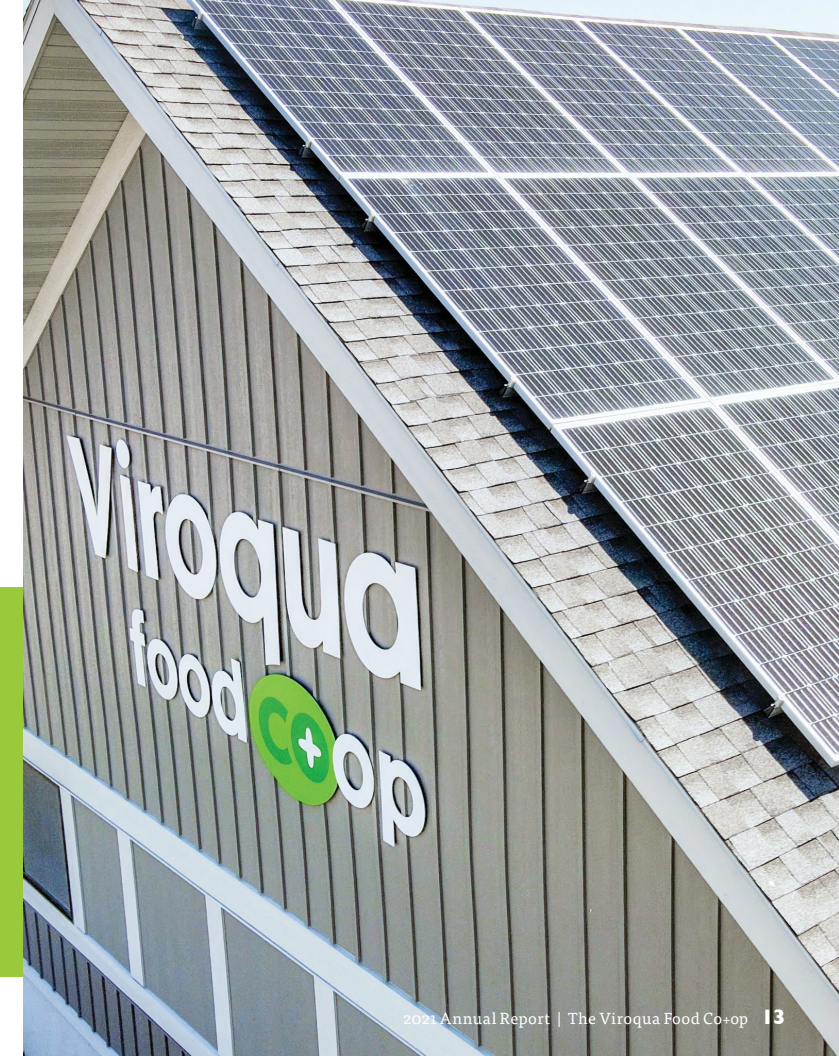
e4: Our community has a sustainable environment.

Visit www.plugshare.com for more details about our EV station.

two charging stations open daily during regular business hours



In exchange for charging up – we request that each EV driver offer a same-day donation to our food pantry donation box located at the front of the store.



A person wearing a dark t-shirt and blue jeans stands in a greenhouse, with their hands in their pockets. They are barefoot, standing on a path of dark soil. To the left, there are rows of leafy green plants, including some with red stems. In the background, the greenhouse structure and more plants are visible.

Viroqua food coop

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608.637.7511 • www.viroquafood.coop

open daily



Connect with Viroqua Food Co-op 24/7

good. local. food.

To VFC owners, board, staff and community partners – thank you for making it an outstanding year!