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**GOOD
FOODS**
CO-OP

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ANNUAL OWNER REPORT
& NEWSLETTER

SPRING 2018

You're Invited!
GOOD FOODS CO-OP

ANNUAL OWNERS MEETING

SUNDAY, APRIL 29TH

3 - 5 PM

GOOD FOODS PARKING LOT

Seeds, Sprouts & CSAs SPRING FESTIVAL

Sunday, March 4
1 - 5 pm

Join us at the Co-op to learn about local farm CSAs, swap seeds, enjoy a native species workshop, dig into kids activities and MUCH MORE!

FREE & family-friendly!



SAVE THE DATE

MARCH

March 3, Sampling Saturday, 11 am - 2 pm

March 4, Seeds, Sprouts & CSAs, 1 - 5 pm

March 17, HAPPY ST. PATRICK'S DAY! Enjoy our special hot bar menu!

March 18, Owner Town Hall Meeting, 7 pm

March 28, On the Table, 6 - 8 pm

APRIL

April 7, Sampling Saturday, 11 am - 2 pm

April 13 - 16, 20% OFF Owner Appreciation Days

April 22, Owner Town Hall Meeting, 7 pm

April 29, Annual Owners Meeting, 3 - 5 pm

MAY

May 5, Sampling Saturday, 11 am - 2 pm

May 12, Southland Street Fair, 3 - 8 pm

GIVE WHERE YOU LIVE

AMY HAAG
OWNER SERVICES & OUTREACH
COORDINATOR



THANK YOU!

2017 was the first full calendar year we've had a Give Where You Live Program that's included an option to round up at the register, and we raised **\$37,314.14!** Because of shoppers like you rounding bill totals to the next dollar, donating reusable bag refunds and giving outright, we helped make our community a better place. The organizations that have benefited from this generosity are: Catholic Action Center, Lexington Habitat for Humanity, The Arboretum, the Hope Center, Refuge for Women, Seedleaf, God's Pantry Food Bank, GleanKY, Lexington Humane Society and Good Foods Charitable Foundation. During the next couple of months we'll be giving to The Arboretum and Bluegrass Rape Crisis Center, so keep up the rounding up!

OWNER APPRECIATION



APRIL 13 - 16 &
SEPTEMBER 14 - 17

Owners enjoy **20% off ALL PURCHASES!**

Special orders can be made before or during OAD but must be paid for during OAD to receive 20% off.



ROBERT WALKER
PRODUCE MANAGER



LOOK FOR MORE LOCAL

As we put the cold of this year's winter further into our rearview, it's difficult not to look forward to the longer, warmer days of spring and summer. I'm excited to let you know that this year will be a year of growth for your produce department.

We will offer a larger selection of plant starters and garden supplies in our garden department. We've also brought on additional local farmers to provide you with a larger selection of fresh, Kentucky Proud produce such as Old Homeplace Farm in Oneida for strawberries and Cleav's Family Market for colored cauliflower, purple potatoes and strawberries grown in Bonnieville.

Our goal is to provide you with all of the best local products we can find. See below for a chart showing when you can start expecting different varieties of local produce to hit our shelves. I look forward to assisting you.

KENTUCKY PROUD PRODUCE AVAILABILITY

APRIL	MAY	JUNE
Asparagus Greens Radishes	Kohlrabi Lettuce Green Onions Peas Strawberries Turnips	Beans Beets Blackberries Blueberries Broccoli Cabbage Carrots Cauliflower Cucumbers Eggplant Okra Peaches Raspberries Summer Squash



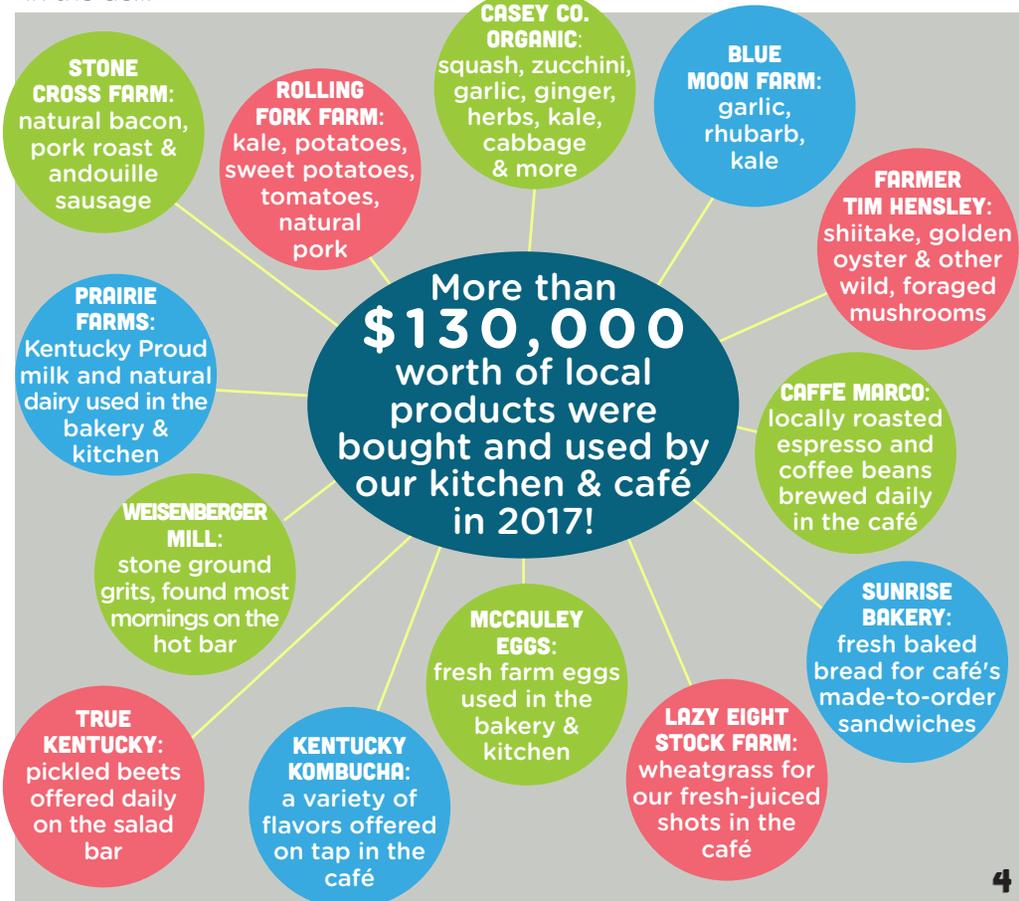
ONE BITE AT A TIME: Supporting the Local Food Economy



SHANNON WILLARD
PREPARED FOODS MANAGER

Your deli is looking forward to spring! We're proud to offer fresh food every day that also supports our local farmers and producers.

Over the past year we have been working with our farmers to plan the varieties of crops planted and the timing of when we will see the produce in our kitchen. This helps us plan our menus and our farmers can sell more to us and have less loss and overlap with other farmers. Look for the many ways to eat local at Good Foods Co-op and let us introduce you to some of our local producers in the deli!



LIGHTEN UP



WITH LEGUMES

Legumes lend protein to these satisfying, low-fat main dish recipes.

Reprinted by permission from StrongerTogether.coop. Find these and other recipes, plus information about your food and where it comes from, at www.strongertogether.coop.

Lemony Lentil Spinach Soup

Serves: 4. Prep time: 10 minutes active; 6 hours, 10 minutes total.

- 1 cup lentils
- 1/2 large lemon, seeds removed
- 2 large carrots, chopped
- 4 cups water
- 1 teaspoon oregano
- 3/4 teaspoon salt
- 1/2 teaspoon freshly ground black pepper
- 4 cups fresh spinach, chopped
- 1/2 cup fresh parsley, chopped

1. Place the lentils, lemon half, carrots, water, oregano, salt and pepper in the slow cooker. Cover and set on low, and cook for 6 hours.
2. At 6 hours, take off the lid and stir in the spinach and parsley. Stir for 1 minute to wilt, adjust seasonings and serve.

5 Add oregano and a crumble of feta to give this lemony soup a Greek flavor profile. Serve with pita wedges and hummus.



Crockpot Red Beans and Rice

Serves 4-6; Prep time: 15 minutes active; 7 hours, 15 minutes total.

- 1 cup dried kidney beans
- 5 cups water
- 1/2 cup long grain brown rice
- 1 large red bell pepper, chopped
- 1 large carrot, chopped
- 2 tablespoons Cajun seasoning
- 1 bunch collard greens, chopped
- 1 teaspoon salt

1. Heat a pot of water to boiling, add kidney beans and boil beans for ten minutes. Drain beans.
2. Combine 5 cups water, drained kidney beans, brown rice, bell pepper, carrot and Cajun seasoning in a slow cooker. Cover and set on low, and cook for 6 hours.
3. Open the cooker, add the collard greens and salt, and stir. Cover and cook for another hour.
4. When the beans are tender, serve or transfer to containers to refrigerate or freeze.

This New Orleans classic is incredibly easy to prepare in a slow cooker. Try it as a side dish to roasted chicken, or as an entrée with a slice of cornbread.



Split Pea Soup with Spinach

By Robin Asbell. Serves 4-6; Prep time: 30 minutes active; 2 hours total.

- 1 1/2 cups split peas
- 7 cups water
- 1 medium potato, cubed
- 3 ribs celery, chopped
- 1 medium onion, chopped
- 1 medium carrot, chopped
- 1 bay leaf
- 1 teaspoon thyme
- 1 teaspoon salt
- 4 ounces baby spinach, chopped
- 1/2 teaspoon black pepper

1. Pick over the peas for any stones or twigs, if necessary, then put in a large pot with the water and bring to a boil. Reduce to a simmer, and add the potato, celery, onion, carrot, bay leaf, thyme and salt. Simmer for an hour and a half, checking occasionally to stir and add water if needed.
2. When the split peas are falling apart, stir in the spinach and simmer just until the spinach is wilted. Add black pepper. Serve hot.

Paired with a hunk of crusty bread, creamy split pea soup is comfort food that will warm you from the inside out.



SHAKE it UP

MATTHEW SULLIVAN
WELLNESS MANAGER



By now, many people's New Year's resolutions have fallen to the wayside, especially if those resolutions have something to do with developing healthier eating habits. It's easier said than done as many of us live an on-the-go lifestyle with family, personal commitments, etc. that make it difficult to take the time to eat a healthy, balanced meal.

Fortunately, there are a variety of protein shake options available at your Co-op. A protein shake is a quick and easy way to move toward healthier meals. There are plant-based powders, like rice protein, as well as whey protein and—the big craze right now—bone broth protein. We have multiple options for a variety of dietary needs including vegan, vegetarian or omnivore.

These proteins come in a variety of flavors (or just plain) and all leave open the option of adding your own special ingredients to your shake. Cinnamon, kale, almond milk and so many other wonderful whole foods can be added to boost the overall nutritional value of your shake.

There is also a myriad of shake and smoothie recipes available online to get you started, just in case you aren't exactly sure what you might like. With all of these options it's easy to see why so many people choose the protein shake as the right way to start their day *and* their journey to healthier eating.

SUPERFOOD SMOOTHIE

Recipe & photo credit:
ancientnutrition.com
Serves 1-2, Time: 5 minutes

- 1 scoop Organic Bone Broth Protein Sweet Greens
- 6 ounces coconut milk
- 1 cup blueberries or raspberries
- 1 cup kale or spinach
- 2 tsp flax or chia seeds
- 1/2 tsp cinnamon
- Stevia (or preferred sweetener), to taste

Blend all ingredients together. Enjoy!



MINT CHOCOLATE SMOOTHIE

Recipe & photo credit:
plantfusion.net
Makes one 16 oz serving, Time: 5 minutes

- 1 full scoop PlantFusion chocolate or unflavored
- 2 large handfuls of spinach
- 1 banana, frozen
- 1 1/2 tsp mint leaves (about 3 medium-sized sprigs), chopped or cut into small pieces with kitchen shears
- 1/2 can of light coconut milk
- 1 tsp cacao nibs [optional]

Blend all ingredients in a blender until smooth.

LEMON BLUEBERRY SMOOTHIE

Recipe & photo credit:
plantfusion.net
Makes one 16 oz serving, Time: 5 minutes

- 1 cup coconut water
- 1 Bartlett pear, halved and cored
- 1 cup organic baby spinach
- 2 cups frozen blueberries
- 2 Tbsp lemon juice
- 1 tsp lemon zest
- 1 scoop vanilla bean PlantFusion

Blend all ingredients in a blender until smooth.



RASPBERRY BANANA CHIA SMOOTHIE

Recipe & photo credit:
ancientnutrition.com
Serves 1-2, Time: 5 minutes

- 1 scoop Bone Broth Protein Banana Crème
- 1 cup raspberries
- 1 banana
- 1 cup goat's milk kefir
- 1 tsp honey
- 1 Tbsp sprouted chia seeds

Blend all ingredients together and enjoy!

Scott Gowers & Gary Smith GRAVEL SWITCH, KY

ROLLING FORK ORGANIC FARM



Just outside Danville, nestled in the hilly knob land of western Boyle County, you'll find Rolling Fork Organic Farm (RFOF), home to small batches of heritage breed pigs, a herd of Belted Galloway cattle and carefully raised organic produce. This spring will be farm manager Scott Gowers' (pictured below) seventh season, working in partnership with the owners, Gary and Teresa Smith, who started the farm in 2005.

Gowers has spent the last decade and a half farming in Kentucky, North Carolina, Georgia and abroad. The local soil, however, is in his blood. His family has been farming in Boyle County for over 100 years.

He's brought his experience with him to RFOF, and is using it to produce pork that's not only humanely and responsibly raised, but delicious.

"I like to call our pork 'hand-made pork'. There is a lot of care that goes into our pigs and I believe that all this attention translates to a superior-tasting product," said Gowers. The pigs get plenty of time out on organic pasture along with non-GMO, locally-sourced feed.

The care doesn't stop on the farm. Gowers says all the pork is processed at a humane slaughter facility which keeps stress hormones at a minimum. Their ground pork and sausages routinely include the high-quality cuts: hams, sirloin end chops and roasts. Gowers is proud of the end result that "truly provides Good Foods customers a one of a kind, high-quality pork product."

Gowers says he's thankful for the Good Foods community, adding "I truly appreciate the friendships I have made at Good Foods. Delivery day is a favorite day of mine and I rarely miss a chance to have a meal from the hot bar!"



JON REED
MEAT & SEAFOOD
MANAGER

I strive to source from local farmers that operate with the same values we have at the Co-op. We are proud to offer the heritage pork raised at Rolling Fork Organic Farm.

Heritage breeds are prized for their juiciness, flavor and tenderness. They are moved to fresh pasture regularly so they stay clean and healthy, plus they are free to root, dig and run—things that happy pigs do. They enjoy fresh water and a hormone- and antibiotic-free diet. Scott is dedicated to humanely raised and harvested pastured pork.

Their bone-in pork chops are the very best chops I have ever had the privilege of putting on my dinner plate. To make them extra awesome, brine them and rub them down with spice!

*Recipe courtesy of
StrongerTogether.coop*

Ingredients

- 4 bone-in thick-cut pork chops
- 1 tablespoon vegetable oil

Gingered Apples

- 1 tablespoon butter
- 1 large yellow onion, diced
- 2 large apples, peeled, cored, and sliced into bite-sized pieces
- 1 tablespoon fresh ginger, minced
- 1 cup white wine
- 1/2 cup water
- 1 teaspoon spice rub (see below)
- Pinch of salt

Spice Rub

- 2 teaspoons paprika
- 1 teaspoon ground coriander
- 1 teaspoon ground cumin
- 1 teaspoon garlic powder
- 1 teaspoon ground cinnamon
- 1/2 teaspoon each salt and ground black pepper

Brine

- 2 tablespoons table salt
- 1/4 cup brown sugar
- 4 cups water
- 6-8 ice cubes

Preparation

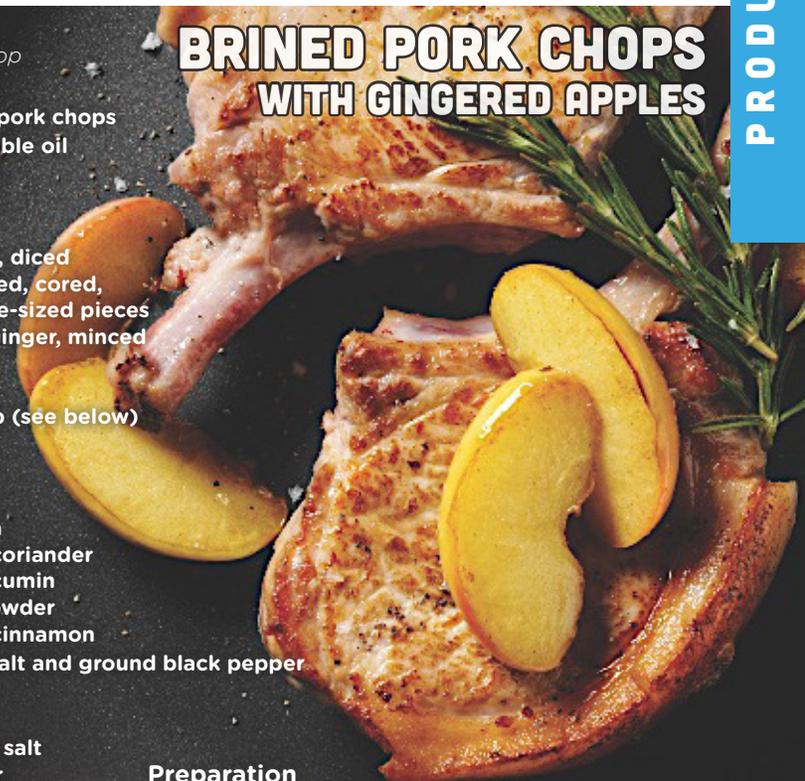
1) Mix brine ingredients in a large container, and submerge the pork chops in brine. Cover and refrigerate for 4 to 6 hours. Prepare spice rub while the pork is brining (reserving 1 teaspoon to season the apples). Remove the chops from the brine and blot dry. Rub with spice rub and set aside.

2) Heat 1 tablespoon butter in a large skillet over medium heat. Sauté the onions until softened, then add apples, ginger, wine, water, 1 teaspoon of spice rub, and a pinch of salt. Cook for about 15 minutes until apples are soft. Turn off the heat and reserve.

3) While the apples cook, heat 1 tablespoon vegetable oil in an extra large skillet over medium-high heat. Place the pork chops in the pan and cook for about 4-5 minutes per side until well browned. Reduce heat to medium-low, cover skillet and cook for a few more minutes. Use a thermometer to test the pork chops and remove them from the pan when they reach 155° F.

4) Add sauce from the skillet and heat through, scraping up the bits off the bottom of the pan. Place each chop on a serving plate, and divide the sauce evenly among the chops.

BRINED PORK CHOPS WITH GINGERED APPLES



The popular clean-eating plan is everywhere.
 What's it about and what can you eat?
 Here's our quick guide
 and shopping list.



how to: WHOLE30



DACIA WILLIAMSON
 GROCERY MANAGER

Whole30 is a 30-day eating plan designed to eliminate cravings, which in turn can rebalance hormones, cure digestive issues, improve medical conditions and boost energy and immune function.

The objective is to reset your body, identify food groups that disagree with it and treat medical conditions. Weight loss is not the ultimate goal, but can be an added bonus.

Proponents of this diet claim that physical and mental health issues—ranging from acne to depression to allergies—could be due to your diet. It's difficult to know which foods are to blame, so this diet urges you to cut out any possible food culprits for 30 days. By day 31, your cravings for these foods should be eliminated. If and when you reintroduce food groups, your body's reaction will tell you which groups should stay out of your life—or at least remain limited.

Foods that you will need to eliminate on this diet include dairy, grains, alcohol, added sugar (this includes honey, maple syrup, agave, Splenda, xylitol and Stevia), legumes (any kind of soy, chickpeas, peas, lentils and peanuts), carrageenan, MSG, sulfites, and of course "junk" food.



Admittedly, avoiding these foods can make shopping a challenge and may require some extra meal prep time. Never fear, though, your Co-op has a selection of ready-made products that can save time and help you succeed.



Primal Kitchen products are made with whole foods free of preservatives, additives and artificial ingredients. No dairy, gluten, GMOs or soy in sight. In addition to being Whole30 approved, these products are also Paleo. We carry Primal Kitchen avocado mayo, avocado oil, five flavors of dressings and marinades as well as the nut and seed collagen bars—great for a quick snack when you're in a rush.



We have plenty of other premade options to satisfy while you're following the Whole30 plan; Epic Bone Broth, Farmhouse Culture Kraut, Safe Catch canned tuna, Spice Cave spice blends, Hint fruit infused water, LaCroix sparkling water, Coconut Secrets coconut aminos, Thai Kitchen canned cauliflower, Cascadian Farm Organic riced cauliflower, Niman Ranch andouille sausage, Applegate hot dogs, 4th & Heart grass-fed ghee and many more in-store options including fresh produce, meat and seafood.



Get some recipe inspiration at whole30.com, and then visit your Co-op. We have everything you'll need to prepare a quick, healthy meal that fits your plan. We look forward to helping you along your journey!





FINANCIAL REPORT



BILL BICKFORD
GENERAL MANAGER

GoodFoods' financial performance was challenged in 2017. Sales declined for the third consecutive year, as the Co-op continued to face competitive pressures both from local market changes and increasing inroads from online grocery and meal kit options. While some select departments did see sales growth, especially in the second half of the year, the store overall continues to lose market share and sales to our various competitors, which include other natural foods competitors, conventional stores and web-based retailers.

drive customer foot traffic and sales volume, both of which are key to financial sustainability. Programs such as Fill it Fresh, flash sales and departmental discounts were used to drive sales—or at least stem sales losses, but they also came with a tradeoff of reduced margin dollars. In order to stabilize margins for 2018, we have already undergone a repricing effort in several departments, and we are continuing to look at pricing and cost saving measures to improve gross margins. We will also need to be more selective in our sales programs moving forward.

Personnel expenses were reduced in real dollars in 2017 when compared to the year prior. However, one of the challenges of declining sales is that even when reducing an expense, it can still increase as a percentage of sales, which was the case for your Co-op last year. We have expended considerable effort over the past three years to become more efficient as an organization, but sales decline has outpaced our ability to reduce personnel costs. This ultimately reduces the dollars left over to pay our various other expenses.

Among those expenses are things such as rent, repair and maintenance, supplies and packaging, and many other categories. Most of these expenses are non-discretionary. That is, we have either no or limited ability to reduce them. In fact, many of them, such as rent, will only continue to increase, presenting further challenges in the future.

Our net loss was substantially higher in 2017 than the past two years. It is important to note, however, that at our current sales level, even if we had achieved ambitious margin and labor targets, we still would have realized a loss in 2017. For details and plans for the future of your Co-op, please read the Q & A that follows.

INCOME STATEMENT	2017		2016	
Net Sales	\$ 9,840,036	100.0%	\$ 10,410,684	100.0%
Cost of Goods	\$ 6,094,764	61.9%	\$ 6,333,201	60.8%
Gross Margin	\$ 3,745,272	38.1%	\$ 4,077,483	39.2%
Personnel Expense	\$ 2,484,848	25.3%	\$ 2,519,628	24.2%
General & Administrative	\$ 1,782,962	18.1%	\$ 1,739,687	16.7%
Total Expenses	\$ 4,267,809	43.4%	\$ 4,259,315	40.9%
Net Operating Income	\$ (522,537)	-5.3%	\$ (181,832)	-1.7%
Other income/Expense	\$ 52,648	0.5%	\$ 35,667	0.3%
Interest Expense	\$ (3,684)	0.0%	\$ (15,214)	-0.1%
Net Income*	\$ (473,572)	-4.8%	\$ (161,380)	-1.6%

* before provision for Income Tax

Achieved margins also decreased in 2017. Margin is a complex beast with a number of influencing factors, but the primary cause of decreased margins in 2017 was the need to run deeper deals and discounts in an effort to



BALANCE SHEET	2017	2016
Cash	\$ 494,539	\$ 782,085
Inventory	\$ 423,564	\$ 446,464
Other Current Assets	\$ 81,822	\$ 70,383
Current Assets	\$ 999,924	\$ 1,298,933
Property and Equipment	\$ 1,200,960	\$ 1,321,401
Other Assets	\$ 265,165	\$ 254,918
Total Assets	\$ 2,466,050	\$ 2,875,252
Current Liabilities	\$ 679,686	\$ 621,982
Long-term Debt	\$ 105,600	\$ 145,200
Total Liabilities	\$ 785,286	\$ 767,182
Total Equity	\$ 1,680,764	\$ 2,108,070
Total Equity and Liability	\$ 2,466,050	\$ 2,875,252



CREATING A CO-OP FOR THE FUTURE



JOEL DIGIROLAMO
BOARD PRESIDENT



BILL BICKFORD
GENERAL MANAGER

This year we have changed the format of our Board Report and Manager Report to allow both parties to share their thoughts about the past year and the future of the Co-op through a conversation.

Q: How would you summarize the "The State of Good Foods Co-op" as 2017 came to a close?

JOEL: Good Foods continues to be the easiest retail grocery store in the Bluegrass region for farmers and local merchants to sell to. The breadth of local products is unparalleled by any other store. It is also a vibrant venue for people to share a meal or snack with their family, friends or business associates. The Co-op has built a strong brand and reputation in our community. The unfortunate part is that each of the most recent years has brought more and more competitive hurdles. Good Foods has faced such difficulties and uncertainty in the past, and each time has overcome them. Once again, we must find the formula to succeed and grow.

BILL: Joel is right; change will be necessary. As the preceding financial report makes clear, the Co-op is facing some serious financial challenges. Downward pressure on margins, upward pressure on wages, and three years of declining sales have created a situation where the Co-op must consider a more significant change.

What gives me hope for the future is that the Co-op has gone through changes in the past and emerged successful. Opening the store to non-members and the various location moves were major changes that, while undoubtedly scary at the time, made the Co-op stronger. As we enter 2018, we are prepared to seize the next opportunity that will position the Co-op as a critical hub of the Lexington food economy of the future. There is opportunity in change, and to come out the other side of it vastly improved.

Q: With the challenges and opportunities the Co-op has before it, what needs to be done to ensure Good Foods continues to serve its mission well into the future?

BILL: The Co-op needs to put itself in a more sustainable financial situation, first and foremost. As things stand right now, the Co-op has a higher base rent and total square footage than our sales level can realistically support. Compounding this issue, our store also presents certain physical and operational challenges that prevent us from operating as efficiently as we might in a differently designed building. Even if we hit challenging margin and labor targets in 2018, we are still projected to lose money this year, as our expenses simply exceed what we can reasonably expect to produce in gross margin dollars.

Ultimately, we need a store that is easier to shop and easier to work, and unfortunately, that isn't our current location. So we are left with a critical choice: We can have a co-op on Southland Drive, or we can have a co-op for our kids and grandkids. We probably cannot have both.

JOEL: We have spent a great deal of time looking at this and it is clear that we must position ourselves physically and emotionally in the community for the future. Doing so will obviously require a relocation to a more efficient structure that allows us to provide foundational services that are now emerging, such as online ordering, pickup and delivery. The second pillar of support to fulfill our mission is to maintain and build the community of individuals interested in healthy food and cooperative values.

BILL: This will require working on defining and developing a store concept that can compete in the current and future grocery marketplace. That means investing in technology and systems that will offer the shoppers of tomorrow the type of services Joel just mentioned, that will soon be commonplace. Online ordering and pickup, for instance, will likely become a baseline expectation that the Co-op will need to meet in order to retain and grow our market share. Systems like that take time and labor to develop.



And at the same time, we must also invest in delivering a unique, in-store experience that owners and shoppers continually want to engage in and be a part of. Genuine and personal customer service, building a shared sense of community and creating *fun* are all part of that.

JOEL: As a board, and with the help of our general manager, we are reaching out to consultants and other co-ops who have remained successful in this highly competitive landscape. We will be using that input, along with yours and that of others, to shape and guide our way forward.

Q: What has changed over the past twelve months nationally and in the Lexington market?

JOEL: We have seen tremendous upheaval in the retail grocery business over the last year. At the macro level, much like other aspects of the US and global economy, we're seeing consolidation in a small number of very large competitors. This provides the big players with favorable economies of scale in sourcing, distribution and retail sales outlets. These trends make it increasingly difficult for Good Foods to remain competitive. Most shoppers, although not all, are price-sensitive and this puts Good Foods at a comparative disadvantage. Co-ops rose through differentiation in their food offerings, mainly natural and organic foods. As other retailers have seen the growth in this demand, they have significantly enhanced their natural and organic offerings. It used to be that the only place in town to get this type of food was at the Co-op, but with so many other retailers offering many of these goods, shoppers are inclined to head to closer alternatives.

BILL: In addition to the changes that Joel pointed out, we saw a number of new developments in 2017 as well as the continuation of trends that had already been set in motion earlier. First, another major store opened in our market that obviously impacts the competitive landscape. This was at least





the fourth major market change in the past three years. We're also beginning to see consolidation of retail stores with online retailers, which accelerates a preexisting trend toward online grocery shopping that effectively shrinks the available market for brick and mortar stores. While a number of shoppers are still resistant to the online grocery trend, its share of the market continues to grow significantly faster than the overall natural foods channel.

Q: Can you give us an example of a trend that is having a positive effect?

BILL: There is increasing interest in local food and on having connections with local farmers that the Co-op is uniquely positioned to capitalize on. Whatever Good Foods' other challenges, we feel that we do a better job than anyone in town in support for local farmers and producers. This is an area where we intend to continually improve and differentiate ourselves as a key part of our brand.

JOEL: And, in addition to our local offerings, Good Foods is known for having "good food." This is what we hear from our owners and shoppers. We've seen that as individuals and their family members have significant life changes or events, they begin to focus more on healthy living which frequently includes eating healthier alternatives. This is where your Co-op shines. No other store in the Bluegrass region carries the quantity and variety of offerings of local, fair trade and organic products.

Q: What about a negative effect?

BILL: We're operating in an extremely and increasingly crowded grocery market in Lexington, and our various competitors have the cash flow and economies of scale to make life difficult for your Co-op. We've had to run deeper deals and promotions in order to compete for customer foot traffic, and we've been forced to match labor to sales. As discussed in the preceding financial report, these impacts have put significant pressure on the bottom line.

Q: What steps have you taken to improve the Co-op and its operations?

BILL: As we've grappled with declining sales over the past three years, we've made improvements to our operations that would help us function more efficiently in our current space and also drive sales in departments where current grocery trends indicate opportunities may lie. We know that these changes have been helpful, but not enough.

For instance, we invested in our produce department in an attempt to improve freshness, quality and merchandising because research shows that the quality of the produce department is a top reason why shoppers choose a given store. And, we continue to work on improving in that area. The same is true in the meat department where we worked with a consultant from our friends at National Co-op Grocers to improve freshness and merchandising in an attempt to grow sales.

Similarly, we expanded our deli Grab & Go because the prepared foods category has been growing at rates far surpassing the rest of the grocery for a number of years now. We did see some positive growth in the deli and bakery following that change, but not enough to reverse the overall store sales decline.

We also brought in new offerings in body care and general merchandise that were previously missing. While these new items have sold reasonably well overall, it again, hasn't been enough to get sales trends to reverse direction.

We improved our training programs in 2017, with a particular emphasis on customer service, and we will continue to work on that in 2018 and beyond. We believe that service is one area we have an opportunity to create a competitive advantage over the other big players in the Lexington market.





MEET THE 2018 BOARD CANDIDATES



KELLY ANSTED

I moved to Kentucky six years ago from Cleveland, Ohio and fell in love with the city of Lexington. I currently work at a faith-based non-profit called The Lexington Leadership Foundation, where I get to work with families and children in our community.

customer of Good Foods, and feel like I can offer more to our community. I have a fierce desire to help people and organizations see their potential and figure out a plan to reach that potential. I enjoy “thinking outside the box” and coming up with fresh ideas to improve systems and continue growth. I like to bring my positive outlook and energy everywhere I go and invest that in everything I do. I strive to pursue every opportunity with excellence and follow through with all of my commitments.

When I moved here I was naturally drawn to shop at Good Foods because of their vision, mission, and values and how they aligned with my own. I have enjoyed being a supporter and

I passionately believe in the vision and mission of Good Foods Co-op and want to offer my strengths to serve Good Foods!

Q: What can owners expect in 2018 and what can they do to help?

BILL: The biggest thing we need from owners is simply to shop with us. If you haven't been in the store for a spell, we'd love to see you! I'd also love to hear thoughts you may have on how the Co-op can better meet your needs. Additionally, owners can help by spreading the word about the Co-op. We'll be sharing regular updates through our weekly emails and through our social media. Use these channels to tell your friends about our deals, events and the great things your Co-op does to support our local farms and community.

JOEL: I also invite all owners to consider how relevant and important the Co-op is to them and what they want their Co-op to be. The Co-op belongs to the owners and we want to hear from you what you are looking for. Please come to a Town Hall Meeting and let us know your thoughts. Other local businesses have succeeded quite well against national and international competitors and we can too. We want to leave no stone unturned in our quest for continued success in the Lexington community.

Q: How can we learn more?

JOEL: This is an important time for owners to be engaged with their Co-op. If you'd like to talk more about the state of Good Foods Co-op we invite you to come to one of two Owner Town Hall Meetings we're hosting in advance of the Annual Owners Meeting:

Sunday, March 18 at 7:00 pm

Sunday, April 22 at 7:00 pm

We hope to see you there!



SHELBY ISERT

I was born and raised in Lexington, which has given me a great appreciation for my city. Staying in town to continue my education, I attended Transylvania University for a period while hoping to pursue a career in not-for-profit business management. In an unpredicted turn of events, I wound up with a dream job in an area I would never have thought to pursue.

was amazed to learn everything that I have. I was fortunate enough to have started as a teller and grew quickly to not only love the members I interacted with every day, but to understand their importance to my credit union. Now as the Member Relations Manager, my job has given me the opportunity to spread cooperative values, encourage community development, and work with some amazing individuals who have proven their dedication to their city.

My work has brought me to love and find great value in the co-op movement. I plan to do whatever I can to promote the growth, development, and success of the co-op so that generations to come can benefit from its presence.

I came to Greater Kentucky Credit Union with some knowledge of cooperatives and their purpose, but





BOARD CANDIDATES, CONT.



LIZ KNAPP

Good Foods Co-op is one of Lexington's most cherished treasures. It is a respite from the deluge of commercialism, instant life-giving sustenance when you're in a hurry, and a source for food staples when not. It's a place to gather and learn about holistic ways of living and a community of people with shared values.

I would be honored to serve on the Board and motivated to use

my previous experiences in health promotion, research, entrepreneurial start-ups and non-profit administration to partner with the existing staff and board members to keep the Co-op growing and help it thrive.

Through connections to groups such as the YMCA, GleanKY, the University of Kentucky, Newman Center, B.U.I.L.D, the Kentucky Science and Technology Corporation and various other schools and non-profits throughout Lexington, I can also help raise the rallying cry to, "Eat and shop at the Good-Foods Co-op!", impressing the importance that doing so will not only be improving your health, but sustaining much needed local ownership in our community.

grateful to have the Co-op as a place that we can trust.

As a current board member, I would be honored to serve another term on the Good Foods Co-op Board. I have enjoyed working alongside Co-op staff members, Co-op Owners, and fellow Board Members to navigate the challenges and leverage the strengths of the best grocery store in town. During my time on the board, we have identified many solutions that strengthen the Co-op and offer increased communication between Good Foods Owners and the Board. If re-elected, I look forward to helping the Co-op with efforts that will support the sustainability of a vibrant and thriving Co-op.

UP FOR RE-ELECTION



LISA WILLIAMS

I love Good Foods Co-op! My family and I have been Co-op Owners for years and you can often find us shopping the aisles or dining in the cafe (our favorite restaurant in town!). Our family is committed to continuing our journey of health and we are

VOTE EARLY. VOTE ONLINE.

Cast your vote online for the board candidates and Give Where You Live partners at www.goodfoods.coop. Quick, easy, done! Online and mailed ballots must be received by 11:59 pm on Wednesday, April 25.

FILL OUT

Important! You must fill out this panel completely for your mail-in vote to be valid.

REQUIRED

REQUIRED

REQUIRED

Owner Number:
Found on back of owner card. **Ballot is invalid without owner number.**

Your Full Name:
Owner of record's name. **Ballot is invalid without owner name.**

Owner Signature:
Sign here. **Ballot is invalid without owner signature.**

VOTE

Board of Directors candidates (vote for up to three)



LISA WILLIAMS
 (incumbent)



KELLY ANSTED



SHELBY ISERT



LIZ KNAPP

See Give Where You Live ballot on the back



VOTE

Give Where You Live Partners (vote for up to eleven)

You may vote for up to 11 charitable organizations including a write-in organization. You can find more information about each on our website. The top 11 organizations chosen will be our Give Where You Live partners through April 2019. The Good Foods Charitable Foundation will round out the year as the 12th organization.

- Amachi
- American Diabetes Association
- Arbor Youth Services
- AVOL
- Big Brothers Big Sisters of the Bluegrass
- Bluegrass Conservancy
- Bluegrass Greensource
- Bluegrass Rape Crisis Center
- Broke Spoke Community Bike Shop
- Catholic Action Center
- DV8 Kitchen Foundation Inc.
- Floracliff Nature Sanctuary
- FoodChain
- Foster Care Council of Lexington
- Fresh Stop Markets
- Friends of the Library
- GleanKY
- God's Pantry Food Bank
- Greenhouse17
- Green Forests Work
- Growing Together Preschool Inc.
- Hope Center
- Kentucky Double Dollars
- Kentucky Heartwood
- Kentucky Student Environmental Coalition
- Lexington Area Parkinson's Support Group
- Lexington Community Radio
- Lexington Habitat for Humanity
- Lexington Humane Society
- Moveable Feast Lexington
- Nursing Home Ombudsman Agency of the Bluegrass
- Opportunity for Work and Learning
- Primate Rescue Center
- Radio Eye
- Refuge for Women
- Ronald McDonald House Charities of the Bluegrass
- Seedleaf
- Sustainable Berea
- The Arboretum State Botanical Garden of Kentucky
- The Nest Center for Women, Children & Families
- The Well of Lexington
- Thoroughbred Charities of America
- Tweens Nutrition and Fitness Coalition
- Write in: _____

CUT & MAIL

1. Cut ballot along perforation lines.
2. Fold and place in an envelope.
3. Drop it off at Good Foods Co-op or stamp and mail to:

Good Foods Co-op
Attn: Amy Haag
455-D Southland Drive
Lexington, KY 40503

- I have included my Co-op owner number, name and signature.
- I am submitting the full ballot page (no panels removed).
- My ballot is being mailed in time to be received by April 25.



CONCERN FOR COMMUNITY

Concern for Community is one of the principles that drives everything we do at Good Foods. It's the reason why we started the Give Where You Live Program and it's the reason why we supported more than 150 community groups from right here in the Bluegrass last year.

In the 2017 calendar year, we gave almost \$6,000 worth of gift cards, gift baskets, reusable bags and cases of bananas to those organizations which included Sphinx Academy, Kentucky Refugee Ministries, Creative Alliance for Arts Education, KY Waterways Alliance, Permaculture Action Network, Big Brothers Big Sisters, Thoroughbred Charities of America and Bluegrass Lyme Support Group.

We were also able to donate a huge amount of produce to GleanKY. Their volunteers, Mary and Garth, delivered 5,215 pounds of food to Nathaniel Mission, the Hope Center, and to a neighborhood ambassador in the North Limestone area for distribution there. God's Pantry Food Bank received 1,409 pounds of packaged food and water that came directly from shoppers that will also be given to people right here in our community. Additionally, we donated \$9,775 worth of meat to Wolf Run Animal Sanctuary.

You, the owners, are the driving force behind all of this giving and we literally couldn't do it without shoppers like you. Thank you for all you do.

