



**First Alternative**  
NATURAL FOODS CO-OP

# **First Alternative Co-op** 2021 Annual Report



**Cindee Lolik**  
General Manager

# Never a Dull Year at the Co-op

2021 was a mixed bag for the Co-op and for the community. In some cases, a literal mixed bag due to product shortages and delivery issues, including days when our major distributor called to say that they didn't have a driver to service our route. This meant Owners and customers sometimes ended up having to find new substitutes when they couldn't stock up on old favorites. Staff did their best over the year to make sure we reached out to our local providers and to stock up, so everyone was able to keep shopping.

Speaking of substitutes, we learned in late January that there is no real substitute for the awesome food our Commissary makes, when, on January 29, a number of managers were awakened by phone calls telling them there was a fire at the South Store campus.

As we headed for the store, the fire department was already there, containing the fire to the Annex building and saving our other structures. We are grateful for them.

The building ended up being a total loss, with lots of melted metal and plastic that needed to be cataloged for our insurance company before being disposed of. We began the task of rebuilding as soon as we could, working with our lender,

who provided us with some great construction monitoring and bid reading, as well as working with our in-house Project Manager, Anthony Mattos, who also wears the hat of Facilities Manager for all Co-op properties.

Getting bids on construction, finalizing the plans, and working through all the details, while taking longer than we would have liked, was thorough and we believe we will have a much better facility when the construction ends in December of 2022.

We were overwhelmed with the outpouring of support from our Owners, shoppers, local organizations, and the community as a whole. The Chamber of Commerce put up a GoFundMe site right away and collected over \$8,000 to help keep our Commissary staff paid while we looked for a temporary location; our landlord at that location, Alan Ayres, has been an incredible help to us as well—making changes and repairs at the temporary location, and understanding that we would most likely be staying beyond the initial period of our lease.

Even our Oregon Department of Agriculture Inspector, Parker Cooper, went out of his way, during a pandemic even, to come down the day of the fire from Salem to inspect the store and make sure we could open the next day so we wouldn't lose another day's sales, and helping us make sure our temporary site met inspection so it could open in May.

You, our Owners and shoppers, were also incredible, volunteering to do whatever was needed to be done, and continuing to support your Co-op through shopping.

Local food purveyors also stepped up to the plate, by providing baked goods and other deli items so we could continue to provide great local food. We are so grateful to them, and now have some new goodies for you all to enjoy!

*All of this and a pandemic to boot!*

We continued our pick-up and delivery program throughout 2021, scrambling to find the space as we lost our backstock area and workspaces in the fire, as well as the Commissary.

We also spent a lot of time trying to make sure our customers, staff, and vendors were safe when they were in our stores. Not always the most popular decisions with some, but a job we all took very seriously.

Our staff continues to be awesome throughout all of this, working hard to make sure you have healthy food and great shopping experiences. We are so grateful for them. And grateful for you as well, because you, our Owners and customers, are the reason we're here!

We are looking forward to 2022 and hoping that if it's an exciting year, it's because that excitement comes from a return to pre-pandemic days—and that it's not only a return to a sense of normal, but a return to better!



**Jim Mitchell**  
Board President

# Cooperative Transitions

2021 was a year of transitions for First Alternative Natural Foods Co-op (FA). Some of the transitions include widespread virtual meetings (including Board and Committee meetings and our Annual Business Meeting and Pool Party at the Owners' Rendezvous), the availability of COVID-19 vaccines, the replacement of Delta with Omicron as the dominate COVID variant, and the community adapting to a modified "normal" following the hectic 2020.

One of the best changes was the temporary Commissary coming online following the fire in January. Working with Allen Ayres, Cindee Lolik, our wonderful GM, negotiated a short-term lease allowing us to use the commercial kitchen in a vacant restaurant.

Although it took a few months to get going, and doesn't have the same capacity as our commissary, it's been great to have some of our delicious Commissary-prepared foods again.

We look forward to when we can celebrate these small successes, and the milestones to come, together again in the future.

Speaking of looking forward, we are rebuilding the Annex. Much of the year was spent in working through insurance and funding issues, and negotiating

a construction contract with Gerding Construction to build it back even better. Higher costs resulting from a myriad of issues, many of them pandemic related, required a significant cash commitment beyond the insurance payments. The new Annex will include an unfinished upper floor for future needs. We, and especially the Commissary staff, are looking forward to having this new/replacement facility.

As in past years, Cindee, our management, and all the staff did a fabulous job in adjusting to the challenges to provide the best food and goods with the best customer service around.

After a very bumpy financial year in 2020, our 2021 income closely matched budgeted expectations. FA continued to support our community in many ways including donations from the Beans for Bags program, direct donations to local not-for-profits and schools, and participation in local community events.

Another service we were proud to continue was the Recycling Center at the South Store campus. This is highly valued, especially by southtown residents. Even with all that, we ended the year in a strong enough financial position to issue Owner Patronage Dividends again. This wouldn't have been possible without the hard work and dedication of our staff, the strong relationships with our vendors and business partners, and the loyal patronage by our Owners and shoppers.

The Board continued working on the future of FA by planning for improvements to the South Store. In the fall, we contracted for a market study to assist in decision making on where, how big, and what services and goods to put into the future store.

The Board and Management have agreed that the improved store will be located on the South Store campus, since we own it and the market study supported it. Looking forward to 2022, we hope to identify a planning horizon for construction, develop ideas, and engage our Owners and stakeholders using focus groups.

We anticipate using this process to help form the questions for another, more focused market study. Watch for opportunities to get involved, if you'd like.

Another transition was that, after four years as President of the Board, I stepped down in July and Jasmin Woodside was elected.

As I move into the last year of my third term, I just wanted to let you know that I consider it an honor and a pleasure to have served the Co-op by being on the Board.

Any Owner can run for election to the Board. Please consider it. It has been a great way to be involved in our co-op, I've met some wonderful people, and I leave the Board feeling good about the future and whatever contributions I have made.

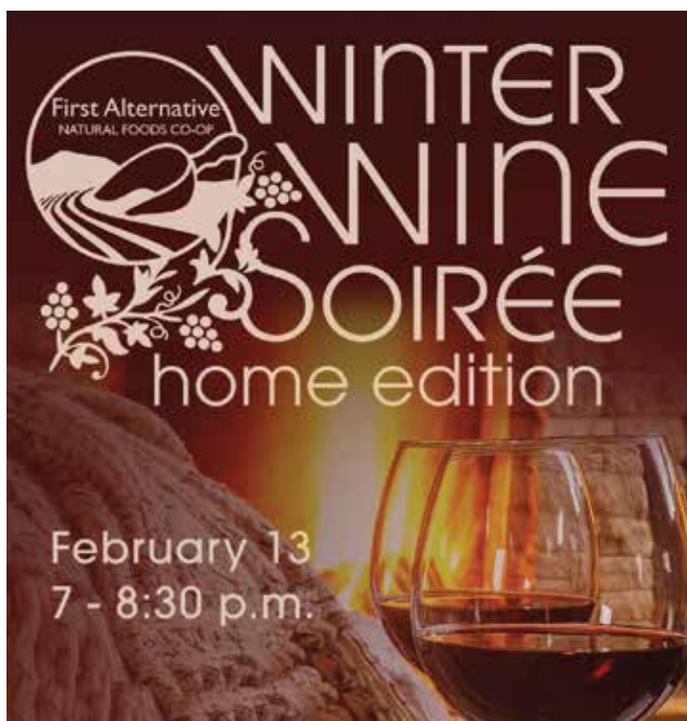
Meanwhile, be kind to each other and continue shopping at your First Alternative Natural Foods Co-op. I'll see you in the stores!

# Navigating 2021

As we continued to navigate the ongoing pandemic in 2021, First Alternative found new and creative ways to try to stay engaged with our Owners, shoppers, and the community despite the continued pandemic restrictions and guidelines.

## Wine Soirée Goes Virtual

Our annual Winter Wine Soirée went virtual for 2021, as we were joined by winemakers from Territorial Vineyards, Emerson Vineyards, and Valcan Cellars for a live guided wine tasting. Alongside the virtual tasting, education provided by our local winemakers, and live music by pianist Colleen Adent, participants received a bottle of wine from each winery, food pairings, and commemorative wine tasting glasses. We were excited to continue the tradition of donating \$5 of every ticket sold to the Good Samaritan Hospital Foundation's Cardiac/Pulmonary Rehab Scholarship Fund. While we missed the extra connection our in-person event allows, it was a wonderful way to partner with a few of our favorite local wineries and keep the spirit of the Winter Wine Soirée alive!



## Virtual Chocolate Tasting with Equal Exchange

In May, we also partnered with our friends at Equal Exchange to host a virtual chocolate tasting event. Participants learned about Equal Exchange's chocolate supply chain, the small producers they work with in cacao, and their citizen-consumer model. It was exciting to help our community learn how each of us can be a part of the citizen-consumer revolution to make a difference in the chocolate supply chain. Participants also received two free chocolate bars to enjoy alongside a guided chocolate tasting where Equal Exchange facilitators taught us about different types of chocolate, tasting notes, and more.

## Know Your Farmer

The importance of local farms and vendors became even more apparent during the pandemic as we saw continued issues with the food supply chain. In support of this, we created a series called "Know Your Farmer" that featured farm tours and interviews with some of our trusted local farmers. This year, we featured John Leland and Laura Bennet of Gathering Together Farm in Philomath and Tal and Inder Singh of Riverland Family Farms in Corvallis. We learned about the history of these families and farms, gardening tips, favorite produce recommendations, and more.

# Community Rallies to Support Co-op

First Alternative also had the unexpected challenge of navigating a structure fire in January of 2021 that resulted in a total loss of our Annex building, which housed our commissary kitchen, staff break room, storage and backstock spaces, and multiple administrative offices. In the end, we're so grateful that the store survived and, even more importantly, that everybody was safe. Thank you to Corvallis Fire Department, the Albany Fire Department, Philomath Fire & Rescue, Adair Rural Fire & Rescue, and the Tangent Rural Fire District, all of whom responded to the fire that morning and helped prevent further damage.

The outpouring of support the Co-op received from Owners, shoppers, and the community as a whole was a beautiful example of why the Co-op is so lucky to be a part of this community. In the wake of the fire, the Corvallis Chamber of Commerce thoughtfully organized a GoFundMe campaign which raised \$8,319.03 to help continue to pay the wages of our Commissary staff

when they were unable to work due to lack of facilities. A huge thank you to our incredibly generous community for this amazing support!

As we worked to find a new temporary kitchen space for our team, we were blown away by the support of local businesses like Trazza Foods, Whole Flower Farms, The Higher Taste, Wild Yeast Community Supported Bakery, Bohdi Bakery, and New Cascadia Bakery, who stepped up to help provide delicious baked goods and prepared foods to sell in our Deli.

After tireless hard work by our Co-op and Commissary leadership team members, we were able to restart limited production in a temporary kitchen space located in the old Big River/Mazama building downtown. As the year progressed, our amazing cooks and bakers grew the menu they were able to provide and were able to get many of the dearly-missed Co-op Kitchen treats back into both of our stores.



# Community Donations

## Buy Local First Donation Day

First Alternative committed to donating 10% of all local product sales on Buy Local First Day to It's On Us Corvallis, one of the many local organizations doing amazing work in our community in the food space. Shoppers made \$20,810 in local product purchases on Buy Local First Day, which resulted in a donation of \$2,081.

**It's On Us Corvallis** is a project of the Corvallis Sustainability Coalition Food Action Team, with a mission to build community and help the economy through food. By directing donated funds towards purchasing meals from local restaurants and groceries at the Co-op, It's On Us Corvallis supports local businesses and creates a multiplier effect in the local economy.

## Ongoing Donation Programs

First Alternative also continued with our Beans for Bags program, which focuses on providing financial support to local organizations that are doing important work in our community on a wide variety of topics.

**Beans for Bags** is a Co-op program that provides \$4,000 in total donations to 16 local non-profit organizations, which are selected each year by our Owners. Typically, organizations' donation amount is based on how many tokens they receive from customers. Due to the restrictions of the pandemic, voting had to be discontinued for safety reasons, and all organizations received \$250.



**BUY Local FIRST**  
Co-op shoppers...

Your purchase of \$20,810 worth of local products on Monday, Dec. 20, 2021, resulted in a **\$2,081 donation to It's On Us Corvallis**

Way to pay it forward, cooperators!



**BEANS 4 BAGS**

OWNERS, PLACE BALLOT

**BEANS 4 BAGS**

Help choose the local non-profit organizations that will be donation recipients for the Beans for Bags program. Please note only Co-op Owners eligible to vote.



# Your Co-op by the Numbers



**12,400+**

Over 12,400 Co-op Owners



**5,100+**

Over 5,100 organic products



**2,000+**

Over 2,000 local products



**\$16,268**

\$16,268 in community donations



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## **Our Cooperative Mission**

First Alternative is the only community-owned market that provides fresh, local, and organic food in the Heart of the Willamette Valley. We celebrate local producers, sustainable products, a healthy work/life balance, and active lifestyles. We recognize that organic labeling isn't enough. We support local and organic products straight from the producer.

We curate our product selection with socially responsible practices. We focus on supporting local producers and food sustainability. We want our shoppers to feel good about the food and products they purchase and our overall brand emphasizes our service, dedication, and support. We strive to be a welcoming and friendly environment to all.

We are producers, farmers, local supporters, and community-focused consumers. With our profit, we honor people and planet. We are dedicated to keeping money in our community and bettering the planet through environmental sustainability.

@firstaltcoop   