



Annual Report 2019  
Breadroot Natural Foods  
Cooperative

100 East Boulevard North  
Rapid City, SD 57701



# From the Board President

Breadroot Member-Owners,

As I complete my second year as your board president, I find myself filled with gratitude. I am grateful for the trust that you placed our team of volunteer directors who represent your interests and oversee the performance of our general manager. I am grateful for the hours of work that board members put in each month in order to come prepared to meetings and make decisions on your behalf. As a transplant (not a local born and raised in SD), I'm grateful for the community that the co-op provides, which is exemplified on our Member-owner Appreciation Days. Also, I am grateful that the city has not closed East Boulevard North in front of our store due to construction!

Your board wants the co-op to be a thriving business, a great place to work, and the best source in the Black Hills for local and organic foods. Regarding these goals, there are several reasons to celebrate as we look back at 2018. We had record sales of more than \$2 Million. Thanks to leadership from Anna, our operations manager, we have a record number of active co-op members. We are proud of the way we treat our employees – offering educational opportunities, regular goal-setting and constructive feedback, competitive wages, and a family-friendly work culture. Jeffrey worked hard to jump through several hoops on the path to membership into National Co-op Grocers (NCG). Membership to NCG would open up incredible opportunities, including better wholesale pricing on some items, and a well of resources at no added cost. We are on track to enter the NCG in 2019, as long as NCG is accepting new applicants.

Despite our record sales, the co-op did not make a profit last year. This is mostly due to spending more on payroll than was budgeted, which is in large part due to having 27 paydays in 2018 (we budgeted for 26 paydays). The board provided feedback to our GM throughout the year about payroll spending, and Jeffrey is committed to staying in budget for 2019. While this may seem as a setback, I am glad that we do all that we can to support our employees and pay them fairly and on time. The board will continue to monitor payroll spending and overall profitability throughout 2019.

After having spent two years now involved in leadership at the coop, I realize how important it is for members to make their voices heard. Please consider making a habit of reviewing meeting minutes when they're posted in back end of the store, or access the archive on our website. If you have questions or concerns about decisions being made, I'd like to hear about it. Send me an email ([president@breadroot.com](mailto:president@breadroot.com)) so that we can connect. Also, if you are detail-oriented and interested in playing a role in oversight of the co-op, please consider running for a position on the board of directors next year.

The nomination process will start in January-February 2020. Contact myself or any of the current board directors to find out more about the role. Together, we'll ensure continued success of our co-op.

See you at the co-op,  
Lindsey Hays  
[president@breadroot.com](mailto:president@breadroot.com)



## 2018 Financial Data

Total Assets: \$291,414

Total Liabilities: \$53,717

Net Income: -\$8,253

Sales: \$2,045,705

Number of Member-owners:  
1,583

New Member-owners in 2018:  
590

# Letter from the General Manager

Greetings fellow Member-Owners,

Co-ops everywhere are guided by the seven cooperative principles that are traced back to the first modern co-op in England in 1844. These tenets are core to the uniqueness of co-ops and are part of the reason why your co-op is such a wonderful place. Some of these principles include: cooperation among cooperatives, equal voting rights of members and open membership. The seventh principle is *concern for community*. In 2018, our co-op took new steps to show this concern and to be more involved in our community.

We took steps last year to: connect with local community organizations, initiate a volunteering initiative, collect food for several food pantries, and establish a new program to help reduce plastic use and waste in our community.

Breadroot connected with Feeding South Dakota in several ways in 2018. During the summer, our staff volunteered at Feeding South Dakota. We also connected with that organization to collect locally grown produce from our customers in the fall. In fact, we helped FSD establish their program by being the first retail store to host their collection bins. Our member-owners dropped off their garden squash, potatoes, and more. In addition, Feeding South Dakota is one of the two local charities to receive donations from our bag saving program.

In 2018 we also started our bag saving program. The essence of this program is two-fold: to encourage people to use reusable containers and to reduce the amount of plastic used at the co-op. Customers who reuse a container can credit 5¢ towards a local charity. Last year about 7,700 reusable containers were used! This program has had such success that we won the city of Rapid City's Sustainability Award. As part of the program we also switch to using Biobags as our standard check-out bag. This alternative is more environmentally friendly, but we still think reusing is a better option.

We're off to a good start in 2019. Ryan has already led his front-end team to volunteer for a total of 40 hours in the first quarter of this year!

Cheers,  
Jeffrey Thouron  
General Manager



Lindsey Hays, Jennifer Benning, Jeffrey Thouron & Courtney Fischer receiving the sustainability reward from the city of Rapid City. Fischer developed and implemented the bag program at the Co-op in 2018.

**Thank you from your co-op staff!**

