



# ANNUAL REPORT 2016/17



# President's report

Having moved into our third year as an associated body that operates a weekly food store, delivers a range of educational events and works tirelessly to advocate for a robust, resilient, local food system, it is with a subtly different energy that we continue to move forward.

No longer are we boundlessly throwing ideas around and then shooting from the hip to make them happen (although this method certainly got us to where we are today). We have matured in our approach and settled into our systems. In short, we've grown up.

Our successes in our third year are reflective of our growing maturity and have allowed the board to begin transitioning away from an operational role to one with a more strategic focus.

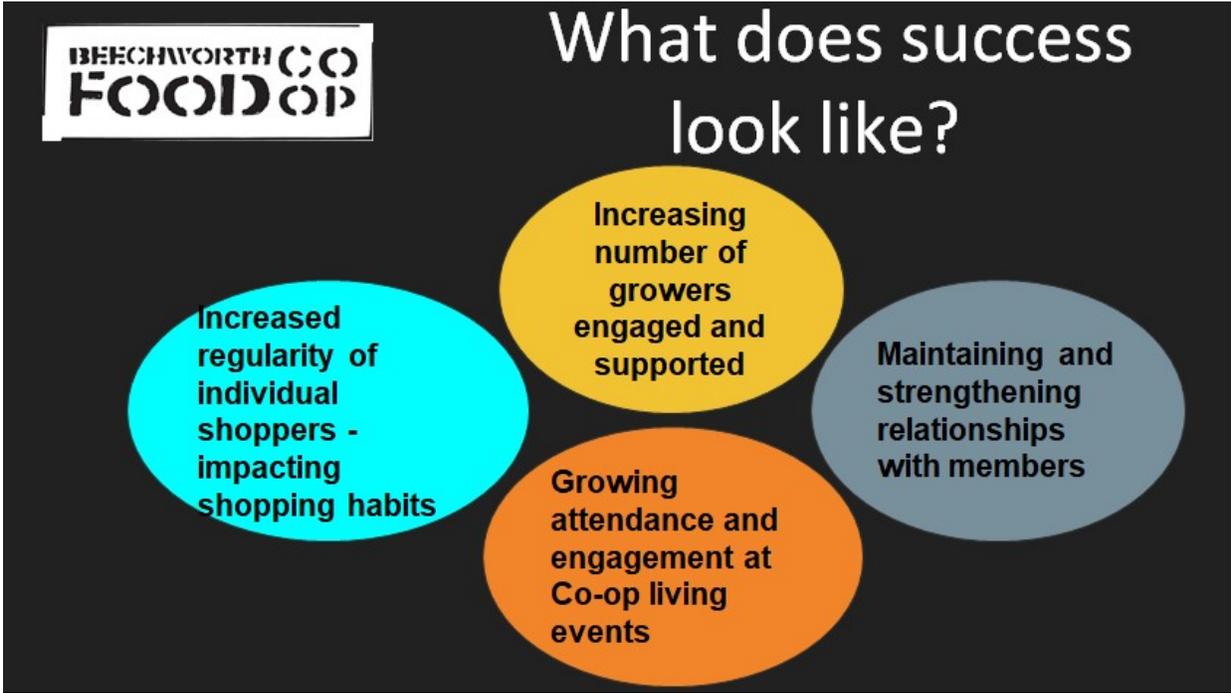
In the last 12 months we have grown our membership, stock range and sales, and have continued to deliver events. This has allowed us to model our objectives with clear financial pathways, which minimises risk, heightens opportunity and allows us to concentrate on our proposed move to new premises and the implementation of more pro-active consumer awareness and education programs.

Our members have a sense of belonging, a feeling of mattering to one another and a shared belief that their needs will be met through a commitment to be together.

Uniting communities and their food systems connects people with the land, to each other and to their own cultural heritage and traditions.

Promoting food systems that are local, secure, sustainable and socially inclusive helps to preserve natural resources, strengthen communities and improve our physical and mental wellbeing. In the process, friendships are made, networks are formed and delicious things are shared.

Join the Beechworth Food Co-op in fostering a sense of togetherness that celebrates our love of food, while exploring how the way in which we eat impacts the livability of our communities both now and in the future.



*To measure success we have realised that our goals are about leaving a lasting legacy. We are not measuring purely by numbers but by our ability to impact habits, connection and engagement. Our terms of success are somewhat intangible but nonetheless powerful when looked at through the lens of community resilience.*

## 2016/17 Challenges

Our third-year **challenges** were very different from those in our first and second year. They included activation; education; and awareness of who and where we are, what we do and the simple fact that we are so much more than a dinky little shop in an industrial part of town with a small range of organic dry foods and fresh seasonal offerings.

## 2016/17 Successes

With this in mind we pushed into what we now, in hindsight consider our **successes**:

- We found **financial stability** having paid off our start-up loan and solidified an average 24% margin on sales
- We reached **membership targets**, which allowed us to make financial projections
- We **commenced employment** of our first paid staff member - Shirley Douglas - who is paid for 12 hours each week (and works about 20 hours), providing consistency and reliability for our volunteers and our shoppers.
- We **launched FRESH** when re reopened after the Christmas break in January and have steadily grown our grower numbers and 'in-season' fresh range.
- We **purchased equipment**: a much needed second refrigerator, 24 drop bins and a trolley

While the above 'wins' are still shop-focused, we have also made inroads into the bigger reason for our existence.

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## Beechworth Food Co-op Strategic Goals



- **Business Strength** - Recognised as the most necessary if we were going to be successful in delivering our other three goals. Our terms of success are more about people, connection and engagement than economic-centric KPIs.
- **Healthy Food Access** - Ensuring that high-quality, provenance-identified wholefoods and locally grown fresh foods could be readily available - filling the gap left by supermarkets.
- **Communication and education** - This is the goal that takes the most work. We have an events program, we deliver a regular newsletter and provide in-store education. We are conscious of monitoring the tone we take, the language we use and the mediums we utilise.
- **Food system development and advocacy** - Our approach is two-fold: one is more about whole-system thinking, which is being done by the likes of Sustain, Australian Food Sovereignty Alliance and Open Food Network; the other is the on-the-ground work with local growers.



### **Advocacy and Education by Beechworth Food Co-op 2016/2017**

In order to make headway in the area of “Community Communication and Education” we undertook the following in the last 12 months:

#### **Public Presentations:**

- **Local Food Launchpad Program - Melbourne** September 2016
- **Australian Food Hubs Conference - Bendigo** October 2016
- **Connecting Rural Business Women’s Conference - Beechworth** May 2017
- **Mildura Local Food Gathering - Mildura** June 2017
- **Local Food Lab Series - Wangaratta (v)** June, August, October 2017
- **Indigo Shire - Beechworth** August 2017 ‘Identifying and supporting the heartbeats at your backdoor’
- **Inspire Gippsland Business Conference - Bairnsdale** August 2017
- **Australian Women in Agriculture Conference - Brisbane** August 2017

#### **Media Representation:**

- **Seymour Community Radio** - The Food Exchange with Cynthia Lim - April 2016 “The Beechworth Food Co Op Story”
- **ABC Breakfast with Joseph Thompson** - November 2016 “Promotion of Patch to Patch event in conjunction with the fair food movement”
- **ABC Mornings with Gay Patterson** - February 2017 “What is the Fair Food Farmers and Followers Gathering?”
- **Seymour Community Radio** - The Food Exchange with Cynthia Lim - February 2017 “Wrap up from the North East Fair Food Farmers and Followers Gathering”
- **The Border Mail** - Patch to Patch Ride, Beechworth, November 12 2016
- **The Border Mail** - Beechworth takes out accolades at the Tidy Towns ceremony, 16 October 2016, for the Beechworth Food Co-op’s win in the Tidy Town’s environmental sustainability category
- **Ovens & Murray Advertiser** - Food Co-op chief leads conference, 3 May 2017, Jade Miles as a guest speaker at the Connecting Rural Business Women’s Conference in Beechworth in May 2017.

#### **Events delivered:**

- Fermentation Workshop - August, 20 attended
- Fermentation Get Together - Sept, Oct, Nov, 10 attended
- Grafting Workshop - September, 30 attended
- Patch to Patch - November, 130 attended
- Co-op Garage Sale - December, 10 stall holders
- Fair Food Farmers and Followers Gathering - Feb, 78 attended
- Summer Morning Tea - March, 45 attended
- Pick your own apples at Europa Gully Orchards x 3 weekends in April. More than 300 attended
- Beechworth Community Groups Morning Tea - June, 30 attended
- Just Eat It movie Night - June, 80 attended
- AGM - August 20 attended

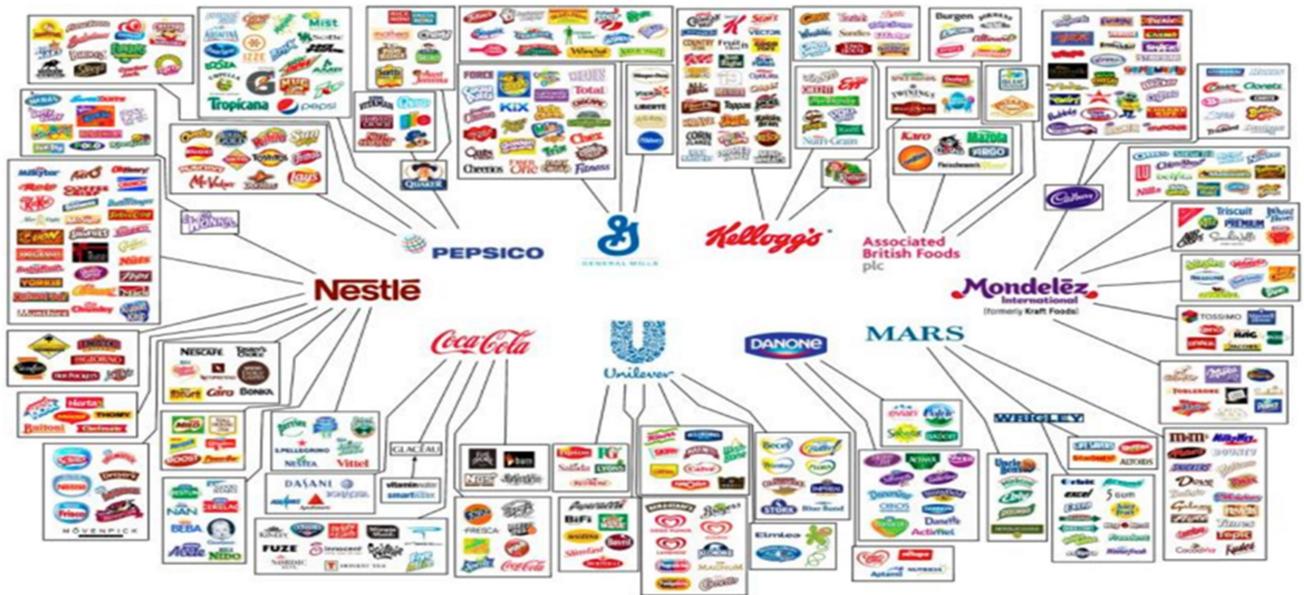
**School Excursions** - One-hour session covering food provenance, waste minimisation, the value of a local food system, what is 'organic', taste-testing Q&A and hands-on trail-mix making

- Galen Catholic College, year nine - 50 attended
- Kardinia International College, grade five - 73 attended
- Montessori School, cycle three - 26 attended

***” If you want to build a ship, don’t drum up people together to collect wood and don’t assign them tasks and work, but rather teach them to long for the sea”  
Antoine de Saint-Exupéry***

**Beechworth Food Co-op numbers since we began on 22 January 2015**





Almost every brand you can identify in your supermarket is owned by one of just 12 multi-national companies. Their focus on the bottom line does not have your health and our communities' resilience in mind.

We, the Beechworth Food Co-op, are part of an international slow/fair/local/ethical food movement that is working hard to put celebration and honour back into the food that we eat. This reconnects us to our food and the people who grow it, which in turn supports the vigour and health of our rural communities. While we are still small our vision is big, strong and clear, as defined in the strategic plan.

**"We are more than just white buckets"**

*There is no 20-second elevator speech that can explain why any food co-op exists. To an outsider it appears to be a somewhat higgledy piggledy food store with erratic fresh food offerings grown by locals and dry goods in unsexy white buckets.*

*In truth, the principles that sit behind our co-op and our greater holistic reason for being are complex, confronting, and fundamentally different to the paradigm that the vast majority of Australians are comfortable with.*

*The process of educating the broader community about such things as food sovereignty, food miles, community resilience, provenance, waste reduction, seasonality, seed biodiversity and soil health is the greatest challenge faced in running a food co-op - especially when people can go to the supermarket and buy what they want, when they want it, from someone who doesn't know their names and without posters on the wall that challenge their thinking about the food decisions they make.*

*Resolving to stock a "fair food" pantry takes a huge commitment, and while the industrial system remains so unchallenged, price-appealing and convenient, advocating effectively for a fair-food system remains an uphill battle. That's the greatest challenge of opening a food co-op, because while you are considering all of this, your audience is looking at the unsexy buckets and asking why you don't have bananas in stock.*

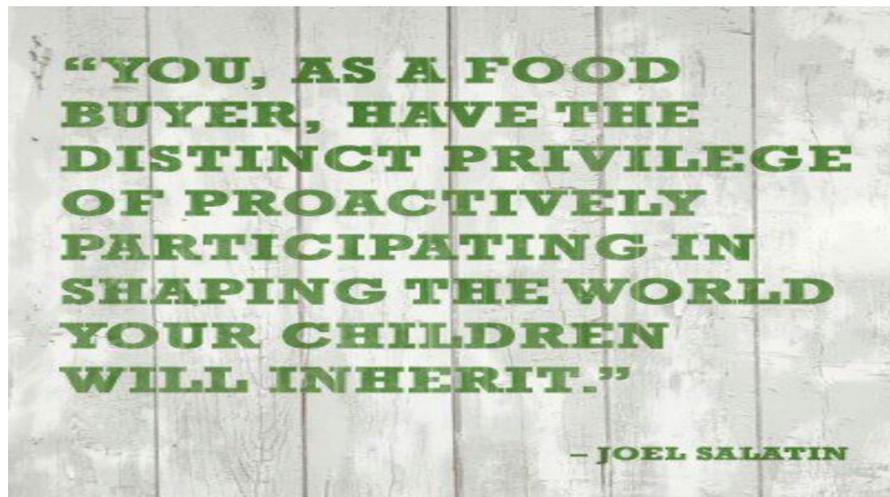
*The week-in week-out push is indeed relentless but with it comes the chance to make a deeper connection with volunteers from your community who you've never crossed paths with; to visit farms run by three generations; to taste fresh food picked from the tree; to share donated abundance-box offerings; and to swap recipes with women from other parts of the world. Being part of a food co-op gives you a ticket to share journeys with people you would otherwise just pass in the street.*

*The co-op movement in Australia is a tight, closely guarded, grassroots collection of passionate people committed to their ethical principles. While this definition may not sit well with some, it takes only a brief comparison with the USA co-op sector to realise that Australia's offering is still being delivered by the deeply committed minority and is yet to leap into the USA paradigm of being not only supported but led by corporations and*

*governments, who have recognised the potential of a rapidly emerging market. They have spotted not only the economic return but the environmental and community rewards that are reaped when a local, connected, transparent approach to agricultural enterprise and food distribution is taken.*

*As the word co-op suggests, this approach to doing business requires the ability to work co-operatively with a broad range of people, stakeholders, opinions, challenges, needs and long-term desires. But ultimately, if expectations for success are set early and adopted by all, the ball just keeps rolling and gathering pace.*

*While every co-op will be (and has to be) different, there is one rule that will always ring true: your local food co-op will only be as strong, vibrant and innovative as the community that adopts it. It will move no faster or slower than the mass of your membership – an individual or group may push harder and faster from time to time but inevitably the pace will be set by the group. And this is OK. In fact, it's more than OK, it is the raw reality and should be embraced - for the sustainable success of your local food, short supply chain and community-connecting vision depends on it.*



## **Volunteers - Our Lifeblood**

As a co-operative, we are owned equally by every single member for the benefit of the broader community. In order to get to where we are today, until recently we have relied solely on volunteers and on the unrelenting commitment of a few who have been willing to take leadership roles.

The Co-op has a board of eight and a working member base of 30. In the last 12 months in the shop alone they have amassed 1,152 hours - and 3,100 hours out of the store. This equates to just short of three full-time working positions per year. However, instead of being paid they have enjoyed the satisfaction of seeing a small community food enterprise with a really big heart gain the momentum it needs to feel confident to take the leap into fresh food and therefore support our local agricultural sector with a vibrant, short supply-chain distribution opportunity.

***Thank you to every single volunteer who has contributed their time. You are committed, hardworking and endlessly giving. Thank you!***

# The Beechworth Food Co-op Board

As we move into our third year as an associated board and our fourth as an organised committee it is with delight that we can report a strong line-up of continuous members and two complimentary new members for the 2017/2018 board.

## New Board Members

We would like to welcome the new board members to the team: Felicity Kennedy and Carlene Lamanna. They understand their commitment to a minimum 12-month position and are eager to take a few months to learn the ropes before taking on more specific portfolios in the new year, taking their cues from the insights gleaned from the member survey.



## Returning Board Members

Of course the depth of understanding that comes from repeated years of service cannot be underestimated, and with this knowledge it is wonderful to be able to acknowledge and thank the continuing board members:



**Jade Miles** will continue as President and in this role will endeavour to advocate publicly, educate where possible and connect with others also in the fair food sphere to ensure we have a strong understanding of the broader movement and where the Beechworth Food Co-op sits within this rapidly evolving industry.



**Chelsea Cherry - Secretary.** She has been our calm, reliable, process-guiding secretary with a profound ability to be nimble and fast-paced while maintaining mindfulness about taking our members on a journey that is comfortable and not too intimidating. Her clarity of thought will continue to form a strong backbone for our organisation as she remains in her position as secretary.



### **Karen Nankervis - Treasurer**

With one year as treasurer and two as our book-keeper, Karen has a deep understanding of our financial strengths and weaknesses. In the coming 12 months, the role will drive clarity of direction through the financial modelling that will inform how we scale up to service our members better. A jack of many trades, Karen is solutions oriented, happy to roll her sleeves up to get the job done and always positive in her approach to all things co op.



### **Matt Woodburne - Volunteers**

Somewhat hard to ruffle (and it's just as well), Matt has created systems and solutions to keep our 30 volunteers who are responsible for opening the doors to the store, on track, well informed and committed to their role. It is a week-in week-out commitment and not only has he made it sing, he is staying on board to keep us in tune.



### **Narelle Edwards - Membership and Events Support**

Eternally reliable, Narelle has proven herself invaluable as someone who is willing to be nimble and committed, moving her efforts as a board member to wherever they are needed most to keep the show on the road. She is driving a small working group to create whole system 'IT solutions' in the coming 12 months to minimise volunteer input and improve customer service.

## Retiring Board Members

**Helen Sellar** has been with the organisation since it was but an idea being discussed in school carparks and at the lake on summer evenings. Her drive has been to build a 'community', and she has done this via her two years as volunteer coordinator and one as events coordinator. She is the quintessential Co-op member and gave continuously until earlier this year when her capacity was reduced. She has a deep commitment to offering a fair and equitable service to members and was often the experienced voice who asked the questions that were needed to sense-check our enthusiasm. She is still a shop volunteer and despite no longer being a board member, we know her heart is still with us and we thank her for the three years she contributed to the building of what the organisation is today. Her thinking, generosity of spirit, warmth and humility will continue to form the fabric of how we service our members and our broader community.

**Alison Lloyd**, One of the Co-op's most committed shoppers, Alison is driven by a strong set of ideals. While juggling her own business, two small humans and now study has meant that she no longer has capacity to sit on the board, her contribution to keeping us transparent, ethical and always open to questioning has laid strong foundations for us as a member-owned organisation.

**Megan Cagalj**, With a methodical approach and a strength in creating systems, Megan worked hard on the evolution of our strategic plan, by which we are now guided. While only on the board for a short time, her clear thinking and contribution is appreciated and we hope to continue to see her smiling face (and beautiful signs made by her girls) in the Co-op.

## Priorities for the Beechworth Food Co-op Board in 2017/18



### What Next

1. To establish a path for board to become strategic not operational
2. To develop Financial viability model to allow for capacity building
3. To locate a new venue to allow for growth
4. Continue to support the development of 'fresh' - to Grow growers
5. To increase the % of products which are grown locally
6. To continue to deliver and grow the 'living' events
7. To continue to participate in the broader food movement
8. To collaborate with others to enhance education and opportunities

## Treasurer's Report

Members of the Board and members of the Co-op, I present the Treasurer's report for the year ended June 30, 2017 and refer you to the financial statements for that year (See appendix).

The Beechworth Food Co-op has had another year of exceptional growth and challenges. Our income was up over 40% from 2015/16, and our expenses up nearly 60%. We purchased over \$25,000 more stock, incurring increased delivery charges. Our expenses included essential equipment, new store manager payments, a rent increase, and a nearly \$5,000 catch-up invoice for our utilities since moving into the Boiler House facility.

Our start-up loan to Jade and Charlie Showers has now been fully repaid.

With all this, we recorded a profit of over \$500. A fantastic effort by everyone involved, particularly Jade and Shirley in keeping the shelves stocked. A big thank you to Ange Davidson for all her work scheduling and paying the bills.

*Karen Nankervis, Treasurer 16/17*

## **Shop Report – Shirley Douglas**

### **Key changes to the Co-op Store**

- The employment of Shirley Douglas to oversee the operational running of the Co-op.
- The introduction of Fresh Market Place to further develop the scope of shopping choice and support the local farming industry.
- The purchase of a two-door display fridge to store and display Fresh.
- The purchase of 16 drop bins to house dry bulk products.
- The overhaul of the storage room to increase space and ensure less waste.
- The overall organisation of the shop space to create a more harmonious shopping experience.
- The introduction of a flower monitor, Isla Fitridge, who creates weekly floral displays to enhance the atmosphere of the shop.

### **Plans and hopes for the next 12 months**

- The move to a larger and more centralised site. This is crucial if we are to move forward.
- The installation of a cool room to ensure quality of products and less waste.
- The purchase of a two-door display freezer. This would enable the Co-op to stock locally produced meat and frozen goods.
- The purchase of more display bins for bulk products.
- The purchase of a more streamlined point-of-sale system, which would incorporate scales, label printing and a two-till capacity.
- Longer opening hours to provide a better service for members.
- Scope to increase the hours for the Store Operational Manager, Shirley Douglas.
- The ability to employ extra staff to aid Shirley in the operation of the Shop.

### **As at 1 August 2017, the following figures summarise the shop operations:**

- Average sales margin overall is 18% - this has varied between 18% and 29% but the more fresh we sell the lower the overall margin is.
- Our total sales for this period is \$132,635.26 with the strongest month being March at \$17,000
- Top-selling products:
  - Toilet paper
  - Bread
  - Potatoes
  - Rice milk
  - Oats
  - Apples

*Shirley Douglas, Shop Manager 16/17*

## **Membership Report**

As at 1 August 2017 there are currently 350 members of the Beechworth Food Co-op.

Of these 350:

- 302 are household memberships - 179 are active & 125 are lapsed/renewal overdue
- 9 (Pensioner 2016 donated) - 5 active, 4 lapsed
- 39 Pensioner/HCC - 27 active, 7 lapsed and 5 new

Membership lies at the very heart of a co-operative business. The Beechworth Food Co-op, like all co-operatives, is a democratic organisation controlled by its members for the members. We are building a social enterprise that

places members at the heart of a business that values community, relationships, connection and resilience over satisfying distant shareholders and corporate expectation.

The Beechworth Food Co-op continues to strongly increase its membership numbers well in excess of its growth targets, which is extremely encouraging and a sign of the community's desire to increase connection with their food system.

This year the Beechworth Food Co-op has seen membership steadily grow. We have **350** members, and they are from throughout the Indigo Shire and beyond. In the past 12 months we have gained an additional **86** members. We have been attracting a different type of shopper thanks to the addition of Fresh, Silver Creek Sourdough bakery goods and the growing amount of other products Shirley has stocked. We have added an additional day to our opening hours, which has benefited our members and made the Co-op more convenient. Despite this growth, we are still challenged by our location and by members not using the Co-op as their primary shopping location.

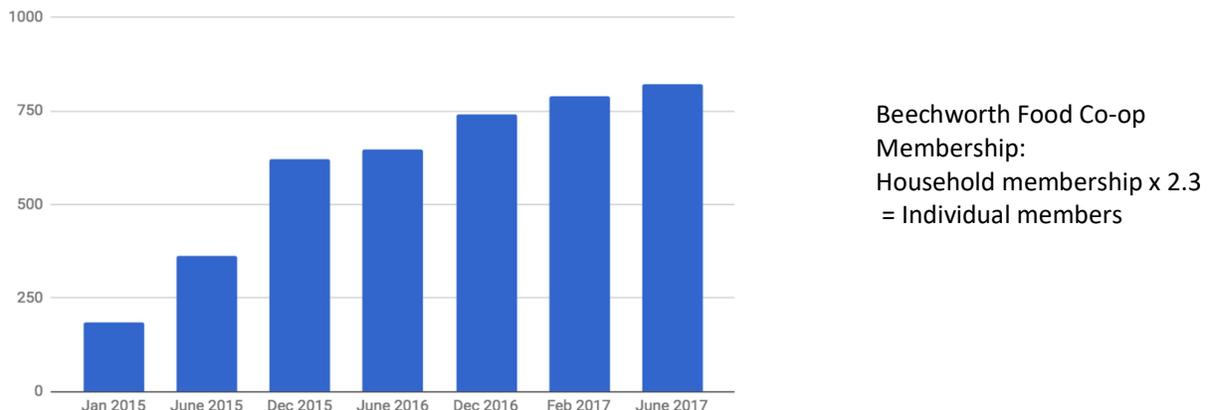
I have been on a steep learning curve with the membership portfolio and it would have been so much harder without the help of Charlie Showers and Lucille Brown. Charlie has been a great sounding board and has passed on his corporate knowledge to both myself and Lucille. A HUGE thank you to Lucille for her ongoing and unwavering commitment to keeping on top of our membership database. Lucille has provided weekly support managing the database and is keenly building improvements wherever possible. Another HUGE thank you to Resi for her "systems" thinking and willingness to support us on a cycle of continual improvement - it is so appreciated by the Board and Co-op members.

Lucille and I are working with Shirley and Resi to streamline our databases and making membership renewals, reminders and payments all come out of one system rather than two. This has been a long process but we have finally found a solution that will be implemented in the next few months. One of the benefits of being member of the Beechworth Food Co-op is this strong sense of community which sees members bring their skills and knowledge to help make it a better place.

Although the membership has grown substantially the challenge remains in engaging the majority of Co-op members to shop more consistently. The membership survey distributed earlier this year gave the board insight into why so many of our members shop so infrequently. Opening hours, product range and convenience are some of the areas the board is concentrating on to improve membership engagement.

The management of the membership portfolio requires strong systems and procedures to work smoothly. Gabrielle Prior, the Membership portfolio board member for part of the year, instigated many of the systems and procedures that allow the Co-op to deal relatively smoothly with membership renewals.

The largest of thank yous though goes to all Beechworth Food Co-op members, for it is you that make this co-op viable through your membership fees, your volunteer hours, your commitment to sourcing your sustenance from ethical and local producers and your engagement, no matter how small or big, in a community-run social enterprise that seeks to improve the viability of our local food system.



# Volunteers Report



During the year we moved to a slightly different system of volunteer shifts. With Shirley present in the shop Wednesday to Friday, we reduced the number of shifts each weekday from two to one. This meant fewer gaps to be filled each month and a more streamlined process in the shop. We are in the process of moving to a system with a core of workers who will do two or three shifts per month on weekdays, with perhaps 10-12 other workers to fill the month's remaining shifts. This will hopefully help to make the shop run more smoothly.

We have 25 working members and they each currently do one three- or four-hour shift a month. Rosters are usually organised two or three months at a time and workers are responsible for swapping their shifts if need be. Our volunteers receive 15% off the price of most of the products in the shop. The Co-op would not be able to run without the contributions of our volunteer workers and we are extremely grateful for their dedication to the cause.

*Matt Woodburne, Volunteers 16/17*



*Promo for PATCH TO PATCH 2016*

# Marketing & Education Report

While our intentions were good, marketing has been the Co-op's weakest link in the last 12 months, with sporadic attention and diluted focus due to other priorities for our volunteer board. This has resulted in minimal updates to the website (which was fortunately strong following the efforts undertaken last year).

The website still includes information on: What a Co-Op is; Producer Profiles; Product information; Co-Op Living Events; Recipes; Membership; How to find us; Our Board; Point of contact.

# Appendix 1

## Beechworth Food Co-op Balance Sheet to 30<sup>th</sup> June 2017

	30/6/16	30/6/17
<b>Assets</b>		
Current Assets		
Cash on Hand		
Cheque Account	\$ 2,100.34	\$ 2,001.90
Cash Drawer	-86.75	-384.91
Paypal Account	0.00	289.68
Petty Cash	84.00	0.00
Store Credits	0.00	-303.24
Total Cash on Hand	\$ 2,097.59	\$ 1,603.43
Trade Debtors	0.00	90.00
Deposits Paid	\$ 1,617.76	0.00
Total Current Assets	\$ 3,715.35	\$ 1,693.43
<b>TOTAL ASSETS</b>	<b>\$ 3,715.35</b>	<b>\$ 1,693.43</b>
<b>Liabilities</b>		
Current Liabilities		
Loan – J&C Showers	\$ 1,285.56	0.00
GST Liabilities		
GST Collected	\$ 1,227.99	\$ 3,399.48
GST Paid	- 2,130.37	- 5,681.79
Total GST Liabilities	- \$ 902.38	- \$ 2,282.31
Total Current Liabilities	\$ 383.18	- \$ 2,282.31
<b>TOTAL LIABILITIES</b>	<b>\$ 383.18</b>	<b>- \$ 2,282.31</b>
<b>Net Assets</b>	<b>\$ 3,332.17</b>	<b>\$ 3,975.74</b>
<b>Equity</b>		
Retained Earnings	- \$ 6,369.37	\$ 1,714.41
Current Year Earnings	\$ 9,701.54	\$ 2,261.33
<b>TOTAL EQUITY</b>	<b>\$ 3,332.17</b>	<b>\$ 3,975.74</b>

**Beechworth Food Co-op**  
**Statement of Income and Expenses**  
**for the year ended 30<sup>th</sup> June 2017**

	30/6/16	30/6/17
<b><u>Income</u></b>		
Takings	\$ 90,707.42	\$ 133,875.75
Grants & Funding	1,325.45	4,466.80
Events Income	0.00	699.44
Membership Fees**	9,386.10	6,204.56
Miscellaneous Income*	0.00	1,382.00
<b>Total Income</b>	<b>\$ 101,418.97</b>	<b>\$ 146,628.55</b>
<b><u>Expenses</u></b>		
Advertising and Promotion	\$ 63.58	\$ 460.84
Bank Charges & Adjustments	811.18	1,260.10
Capital purchases	0.00	1,100.00
Contractor Expenses	0.00	14,475.00
Freight & Delivery costs	4,525.18	5,413.03
Insurance	1,499.07	1,862.13
Internet/Website	187.24	286.36
Licenses & Permits	307.53	0.00
Loan Interest	403.49	0.00
Maintenance	47.32	5.41
Meetings & Workshops / Events	183.42	616.85
Memberships	0.00	45.45
Office Supplies	227.62	104.60
Packaging	623.15	1,126.38
Paypal fees	72.16	65.89
Postage	30.91	28.18
Printing	269.73	0.00
Rent	4,680.00	6,240.00
Shop Equipment Small	484.46	1,906.60
Shop Fittings	325.57	2,272.28
Shop Supplies	42.00	0.00
Software	1,050.73	1,543.68
Stock	75,882.69	101,760.70
Utilities	0.00	4,893.74
<b>Total Expenses</b>	<b>\$ 91,717.43</b>	<b>\$ 146,074.98</b>
<b>Net Profit/Loss</b>	<b>\$ 9,701.54</b>	<b>\$ 553.57</b>

\*\* Membership increasing over 12 months, payments spread over financial years.

\*Miscellaneous Income – BAS refund in April 2017