

First Alternative NATURAL FOODS CO-OP

Fresh, local, organic groceries for everyone

North Store: 2855 NW Grant Ave • South Store: 1007 SE 3rd St

The
SCOOP
November 2023



*From the Treasurer of
the Board of Directors,*

Rob May

This November has a bit of a new (and most welcome!) feeling for me as a Director compared to Novembers

of recent past. Our Co-op has been through quite a bit in the past few years, to be sure. But now, after the pandemic, after the fire, after successfully rebuilding the Annex and Commissary—we have a bit of stability from those tumultuous events, and it's time to look forward...

It now feels like we can start to return our focus to ensuring the continued success of First Alternative for the next 50 years, rather than the next 50 days. To that end, the Board is spending a substantial amount of time in our fall meetings discussing two major topics: planning and executing our annual retreat; and developing our 2024 budget with an eye towards the future.



In our annual retreat we will be focusing on the larger strategic picture surrounding the Co-op, the community, and our Owners. We are specifically addressing our future as it relates to business conditions, our current stores, and their physical conditions. We are facing challenging economic times with an aging infrastructure and constrained space for customers, products, and staff. There are many potential options we could pursue to address these issues, ranging from remodeling to expansion to relocation to partnerships to new stores or even new markets. The critical question for the Board: which option (or combination of options) will provide the best future path forward for our Co-op?

We of course do not want to undertake growth simply for growth's sake. But in addition to our current physical plant limitations we are facing an increasingly difficult and shifting business situation. While we are fortunate to have a historically strong cash position (due in large part to federal pandemic aid programs), our net income margin is being eroded by rising inflation and costs, increasing maintenance bills, and average daily customer counts that are 15% below 2019 levels.

Left unaddressed, this combination of conditions will endanger our future ability to meet our current Owner and staff needs; to attract new Owners and shoppers; and to expand the benefits of our Co-op to

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November Board Committee Meetings

Owners interested in virtual attendance should contact BREC@firstalt.coop for details.

Board Recruitment & Elections Committee:

Working to recruit qualified Board candidates.

Tuesday, November 8, 6pm

Owner Relations Committee:

The conduit for communication between Owners and the Board.

Monday, November 13, 6pm

Finance Committee:

Reviews, analyzes, and makes recommendations on financial matters.

Wednesday, November 15, 4:30pm

Board of Directors:

Elected Owners putting our cooperative principles into action.

Tuesday, November 28, 6pm

**ANYONE
CAN SHOP**

**Two locations
Open daily
7 am - 9 pm**

From the Treasurer of the Board of Directors,

Rob May

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more people in the community. As such, the Board is focusing on clearly defining what sort of future evolution we want for the Co-op, whether it be remodeling, expansion, or even new markets. This is an incredibly complex activity, requiring financial readiness, Board readiness, staff readiness, and of course Owner input.

One near-term work item for the Board will be modernizing our governance policies and procedures for increased flexibility and responsiveness to the rapid change inherent in our current business environment. Our existing set of policies date from the 1990s, when they were developed and adopted for First Alternative's transition from a non-profit organization to a true cooperative business.

We of course periodically review our policies to ensure they are setting the goals and objectives we desire. However, the overall structure, framing, wording and philosophy still reflects the design and thinking that was current at the time of their creation. The subsequent 25 years of business have brought many new ideas and approaches to the grocery Co-op world at large, as well as new best practices specifically related to Co-op Board governance and function.

Over the coming year we will be working with our Columinate governance consultant to identify opportunities to simplify, modernize, and strengthen our oversight framework. This is critical as we move through future strategic definition activities, to ensure the Board and management are both ready for whatever initiatives and projects arise out of those efforts.

And as I mentioned, our 2024 budgeting process is currently in full swing. As Treasurer, this annual effort is always near and dear to me; but this year is even more exciting, because we are taking several steps to align

our funding and financial planning more closely with our strategy conversations. One aspect of this is our planned inclusion of money for an initial engagement with the National Co+op Grocers (NCG) Development Co+op.

The NCG Development Co+op is focused on growing the cooperative grocery market in general; improving food availability in low income, limited access (LILA) communities; and helping existing co-ops thrive and grow. They partner with co-ops at every phase of the business development and analysis process, including innovative actions such as doing 3D scans of our current stores for detailed sales/flow assessment to influence future store design. We are looking forward to having

their input and experience for our evaluation of potential future paths.

Another strategic change to our budget process will be in our 5-year pro forma. A pro forma is a business planning document that projects future financial results given a set of assumptions. In the past, First Alternative's pro forma has been a linear view assuming constant store conditions, primarily focused on projecting sales growth. We will

be working on changing the pro forma to be more accommodative of various growth scenarios, modeling potential outcomes based on options in our strategic plan. For example, a new pro forma could show the projected cost and return comparisons between steady-state including capital spending for deferred maintenance vs expanding one (or both) stores in current locations.

All these decisions about our future are going to be complex, detailed, and lengthy; with hard conversations about mission, impact, and affordability. But to me personally, this is the cool stuff about being on the Board: ensuring readiness and capacity for our business to maintain our service to our Owners and community for another 53 years—and beyond! You will be hearing much more about all these efforts in the coming months, but as always, feel free to contact the Board at any time by email (faboard@firstalt.coop) with questions, comments, or just to say hi!



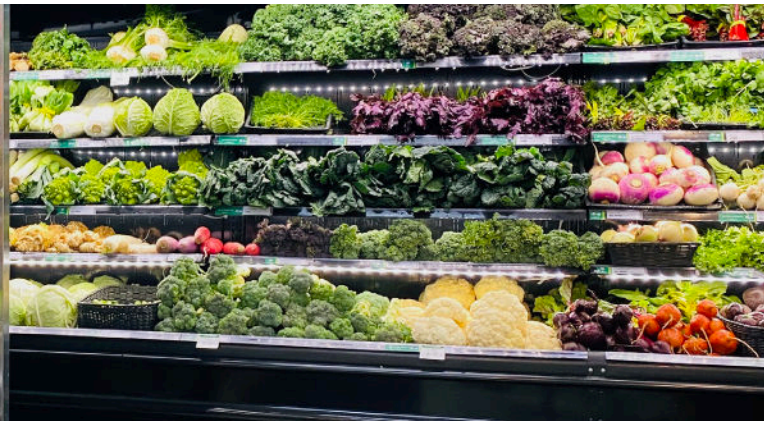
Customer Q&A

Answering the Co-op Community's Questions

Q: The new Produce display cases look great! Why did you rearrange the produce in the new cases?

A: We are excited to have new Produce display cases at both stores (and pictured throughout this edition of the Scoop) which will improve our ability to provide even better, high-quality, fresh produce for our shoppers. During this update, some areas of the Produce Department were rearranged to provide a better configuration for these new cases, with some areas requiring misting and others that need to stay dry. As seasons change, we also often rotate the location of certain items to be able to better display seasonal items that are abundant and in their prime. We appreciate your understanding. If you have any questions or need help locating an item, please don't hesitate to ask a Produce team member.

—Patrick Monroe, North Store Produce Manager



Follow First Alternative

For up-to-the-minute news,
giveaways, recipes, special offers,
and tons of cooperative fun.

@firstaltcoop



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The Co-op welcomed...



new Owners in September

TURKEYS ARE COMING!

HOLIDAY FEASTS FOR ALL!

Delicious options for every appetite and party-size.



Mary's Free Range Whole Turkeys

Non-GMO \$3.99/lb

Organic \$4.99/lb

Owner Sale Day discount may be applied

Non-GMO Turkey Breast \$7.99/lb

Organic Turkey Breast \$9.99/lb

Non-GMO Whole Duck \$4.99/lb

Non-GMO Game Hens \$6.49/lb

Organic Game Hens \$7.49/lb

Mary's Heritage Whole Turkey \$7.99/lb

Geese (limited availability) \$8.99/lb

We're always First in Alternatives, too. We have a great selection of plant-based holiday entrees and sides. Stop by the freezer section and check it out. Need help? Just ask any staffer!

Estimated Arrival: November 15

Everyone is welcome!

We encourage the use of inclusive language because our Co-op community includes people with a variety of identities.

Inclusive language includes terms like these until you know a person's pronouns:

people, person, folks, they, them

Thank you for helping us create a safe space!



Bring your reusable bags and help support local charitable organizations!
More details at firstalt.coop/donations

October, November, and December Recipients:

Co-op Recycling Center

Grace Center

Greenbelt Land Trust

Corvallis Sister Cities, Gondor