

# Belfast Co-op News & Commentary

*A natural food and products store serving Midcoast Maine since 1976*

SEPT./OCT. 2007

## *Return policy revamped*

With our new fiscal year approaching, we have been looking at the effectiveness and ease of our current return policy to see if it serves our business as well as our valued customers.

The current policy states: "Returns must have the original receipt. Must be in the original package. No returns after 2 weeks." It has served us well in that it was a good, tight policy that helped us prevent possible abuses by requiring the receipt.

### ***Putting customers first***

However, it didn't allow much flexibility to provide good customer service when customers had legitimate concerns and no receipt. We have found that it's been difficult to enforce consistently and in a manner that promotes customer satisfaction: our true priority as a service-oriented business.

As a result, we have come up

with a new policy that we feel puts customer service first while still setting boundaries that protect your business interests as member/owners. Theft has a huge impact on our bottom line, and the board and management feel it is important to have policies that minimize the potential financial losses that ultimately impact our members.

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***We have found our existing return policy difficult to enforce consistently and in a manner that promotes customer satisfaction.***

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The changes to the current policy will become effective Oct. 1, the start of our new fiscal year. A major change is that we will have the option of providing store credit when receipts have been lost or

*(Continued on page 5)*

## **Membership keeps growing**

***Co-op adds members at rate of 1.1 persons a day***

At press time we had 2,569 members in good standing. That's right: we've surpassed the 2,500 mark! We are still holding steady at a rate of gaining 1.1 new members a day.

It has been our pleasure to give 14 people membership and ownership in the Co-op with funding from our Equity Assistance Program. These individuals would have otherwise been unable to join due to serious financial limitations.

Patronage Dividend donations are still trickling into funds for this program and for capital improvements. Our balance is \$1,075 in the Capital Improvements Fund and \$743 in the Equity Assistance Fund. A reminder: we aren't a nonprofit charitable organization, so donations to the Co-op aren't tax deductible. Thank you to everyone who has donated all or some of their Patronage Dividend.

## ***First article in a series***

# **Survey: Co-op prices a top concern of members**

By Erica Buswell

*Editor's note: This is the first of a two-part series addressing concerns about Co-op pricing raised in our recent membership survey.*

One predominant membership concern expressed in our recent membership survey is Co-op pricing. We'd like to take the opportunity to open a dialog about this important issue from an educational perspective, with the hope that information will help us all make smart and cooperative purchasing decisions.

To start the process, we are running

articles on this important topic in two successive newsletters. This time around, we'll take a look at the part of our pricing structure that the Co-op itself has a hand in determining. In the next issue, we'll examine some of the larger economic and political forces that shape the cost of food before it reaches our doors.

### ***Bottom line is more than money***

The general manager of the Hanover Food Co-op in Hanover, N.H., once reminded us that "Co-ops concern themselves with a triple bottom line: service, social responsibility,

and financial." We are service-driven enterprises, concerned first with meeting the needs of our members. We are not enterprises that seek to generate profits for the benefit of our shareholders (the predominant force driving most other business models in our "free market" economy).

The need our membership has expressed, as captured in our mission statement, is for whole, natural foods and support for healthy lifestyle choices. Unlike a nonprofit organization, which utilizes donations and

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## Belfast Co-op Store

123 High St.

Belfast, ME 04915

Phone: 207-338-2532

Fax: 207-338-5234

Web site: <http://belfast.coop>

E-mail: [info@belfastcoop.com](mailto:info@belfastcoop.com)

### Store Hours:

7:30 a.m. - 8 p.m. daily

Closed New Year's Day, Easter,

Thanksgiving and Christmas

## General Management Team

Erica Buswell

Ronald "Goldy" Goldstein

Sanford "Pepper" Bush

## Board of Directors

Kip Penney, board president

Debbi Lasky, co-vice president

Bindy Pendleton, co-vice president

Allen Ginsberg, treasurer

Susan Lauchlan, secretary

Dagny Currier, staff representative

Zafra Whitcomb, staff representative

Karen Aveni

Richard Brown

Lorna Crichton

Scott Giroux

Wayne Kraeger

Michael Marino

Jerry Savitz

Paul Sheridan

Peri Tobin

## Newsletter

Editors: Erica Buswell, Mary Ruoff

E-mail: [newsletter@belfastcoop.com](mailto:newsletter@belfastcoop.com)

## Eat Local Challenge

Look for details on our Eat Local Challenge at our Web site and in the next newsletter!

## Co-op sponsors cooking class

Offered through Belfast Adult & Community Education, the focus is on basic, healthy cooking



Interested in learning more about healthy cooking? The Co-op is sponsoring Basic Healthy Cooking, a class through Belfast Adult & Community Education. We are often asked to provide more information about how to cook health-

fully. By partnering with the adult education program we have gained access to a great facility with more room and equipment than our cafe.

The four-week course will be held at Belfast Area High School, 98 Waldo Ave., on Thursdays in October from 6:15-9:15 p.m.

Taught by Co-op member Jerome Weiner, each class will consist of preparing and then eating a meal. So bring your appetite!

Upon completing the course, participants will receive a gift certificate to the Co-op. To register contact the adult education program at 338-3197, or mail in the registration form on the back of its brochure, which is in the front window of the Co-op. Bon appetite!

## Co-op Events: Sept.-Oct.

**Café Gallery Art Shows** Wed. Sept. 5-Sun. Sept. 30, Co-op Café Gallery.

"Vignettes, Sketches, Drawings and Studies for 'work in progress' " by local artist Ed Moffit.

**Raw Foods Diet Speakers** 6:30-7:30 p.m., Thurs. Sept. 13, Co-op Cafe.

Kari Hamman will talk about a raw foods diet. She has been training at the Hippocrates Health Institute and loves to share her knowledge of and passion for healing with raw foods. At 4 p.m., Fri. Sept. 14, Brian Clement, director of the Hippocrates Health Institute, will talk on healing with raw foods at the Unitarian Universalist Church, 37 Miller St. A raw foods tasting follows at 5:30 p.m.

**Basic Healthy Cooking Class** 6:15-9:15 p.m., Thursdays in Oct., Belfast Area High School, 98 Waldo Ave. The Belfast Co-op is sponsoring this four-week class through Belfast Adult & Community Education. Preregistration required; space is limited. Call 338-3197.

**3rd Annual Belfast Poetry Festival** 2 p.m., Sat. Oct. 13. Beth Schaab will give a poetry reading at the Co-op Café Gallery as part of the 3rd Annual Belfast Poetry Festival. The event runs from noon to 7 p.m. and features 11 artists and 11 poets at five local galleries.

**Wine & Food Tastings** 7-9 p.m., Fri. Sept. 21 and Fri. Oct. 19 in the Co-op Café. 10% off wine purchases at tastings. You must be 21 or over to attend.

**Belfast Co-op Board of Directors Meetings** 6:30 p.m., Thurs. Sept. 27 and Thurs. Oct. 25, Waterfall Arts, 256 High St.

For more information call Fran Clemetson at the Co-op, 338-2532, or e-mail her at [education@belfastcoop.com](mailto:education@belfastcoop.com)

# *Consider joining a credit union: they are cooperatives just like us*

“Are you a member of a Co-op?” When asked, how many of us locals would think to answer, “Yes, I belong to two Co-ops: the Belfast Food Co-op and Down East Credit Union (DECU).” The 2005 statistical report of the World Council of Credit Unions suggests that U.S. credit unions have 86 million members, which amounts to 43.47 percent of the economically active population. My experience, however, suggests that those of us who are members of a credit union don't think of ourselves as members of a financial services cooperative.

## ***Credit unions defined***

Consider the National Credit Union Administration's definition of a credit union: “A federal credit union is a nonprofit, cooperative financial institution owned and run by its members. Organized to serve, democratically controlled credit unions provide their members with a safe place to save and borrow at reasonable rates. Members pool their funds to make loans to one another. The volunteer board that runs each credit union is elected by the members. *Not for profit, not for charity, but for service* is a credit union motto.” This definition has all the elements of a co-op clearly articulated: motivated by service, jointly owned by members, and democratically controlled by the membership.

The seven Co-op principles are also clearly reflected in the operations of a credit union.

**1. Voluntary and Open Membership:** While government regulations require that credit unions restrict membership to employer groups, organizations, people living in a geographic area, and so on,

credit unions are open to anyone who belongs to the group it's designated to serve.

## **2. Democratic Member Control:**

The volunteer board of a credit union is made up of elected credit union members and is charged with creating the policies that govern interest rates and other services that the credit union provides to members. DECU practices a “one member, one vote” policy, allowing each of its members a single, and equal, vote.

## **3. Member Economic Participation:**

Credit unions offer the same services as regular banks, but the difference is that a credit union is closed to nonmember investors. Only members of a credit union can utilize its services. All of the money entering and leaving a credit union belongs to the member/owners. In a credit union, it is the member/owners who make loans to each other, typically with lower interest rates on loans and higher interest rates on shares (rates determined by the elected board to serve the financial needs of members). Profits are returned to members or reinvested in the institution in order to increase the services available.

## **4. Autonomy and Independence:**

Decisions are made through the elected board or by direct member vote, ensuring complete membership control. For example, this past November, DECU members voted to convert from a federally-chartered to a state-chartered credit union. Then, in June, they voted to allow Bowdoinham Federal Credit Union to merge with them. Changes like this can't happen without the approval of the voting membership.

## **5. Education, Training and Information:**

Following with the theme of cooperatives being “self-help” organizations, credit unions are committed to providing education and outreach programs that help members and others improve their financial health. DECU offers two educational programs for youth to help them learn how to manage their money responsibly, as well as working with local schools to talk to young people about not getting into credit card trouble when they leave high school.

## **6. Cooperation Among Cooperatives:**

Many cooperatives do their banking with a credit union rather than a bank in order to uphold this mutually strengthening co-op principle. After all, they share a set of values and operating principles.

**7. Concern for Community:** Even with the government-required membership restrictions, credit unions serve communities. By providing opportunities for members to make the most of their investments, credit unions contribute to the economic health of local communities, in some cases directly improving the standard of living in the areas they serve. For example, DECU has been active in helping to raise money for local organizations, including \$27,000 for the Washington County Relay for Life and \$470 for the Big Brothers/Big Sisters organization.

Isn't it great to know that in matters financial as well as gastronomical we have a local, cooperative choice! For more information: Downeast Federal Credit Union, 338-0043, [www.downeastcu.com](http://www.downeastcu.com); National Credit Union Association, [www.ncua.gov](http://www.ncua.gov).

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grants as primary sources of funding for operating expenses, we are dependent upon the financial contributions of the shopping public, most especially our members, to bring in enough cash flow to cover the cost of doing business and to provide the goods and services members want.

### **Generous worker benefits**

We strive to meet our bottom line for social responsibility in two ways: by providing a generous benefits package for our staff—including health and dental insurance, a simple IRA, and holiday and vacation pay—as well as through our charitable giving policy, which allows us to donate to like-minded community organizations and events.

We are continuously trying to find ways to raise hourly wages to meet a truly livable standard (the average Co-op wage, once benefits are considered, is \$12 an hour). Having a healthy profit margin helps us to achieve this extremely important social value. After the cost of getting goods to the store, the cost of paying wages and benefits is by far our

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***An oversimplified definition of profit margin is the percentage of profit that is included in the retail price of goods. Margins get applied to wholesale costs.***

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greatest expense.

In order for us to meet our bottom lines of service and social responsibility, it is absolutely imperative that we maintain a healthy financial bottom line. Our profit margin for the store fluctuates between 35 percent and 40 percent due in part to the seasonality of a portion of our workforce and the fact that we have a prepared foods department.

### **Profit margin defined**

An oversimplified definition of profit margin is the percentage of profit that is included in the retail price. Margins get applied to whole-

sale costs, determined by our vendors and distributors, to set a retail price. This price must ensure that we can pay for the cost of goods plus the costs of keeping our equipment running and/or upgraded when necessary, the costs associated with labor for a staff of nearly 60, the cost of paying our mortgage (our land and building are the property of the membership), and the costs of covering various fees associated with doing business, such as state licensing.

### **Margins in step with our industry**

Our profit margins fall well within the range of margin goals used by most other co-ops. In the co-op world, it's considered good business sense to set goals for your profit margins no lower than 35 percent. When profit margins drop below that level, it's a good sign that a co-op is headed towards unprofitability.

In years that our storewide margin yields us a profit after all expenses are paid, the remaining monies get returned to you, our members, in the form of your Patronage Dividend. Returning profits to the membership is a unique and central aspect of our identity as a co-op. In most other business models in our economy, returns are proportionate to the amount of an investment share. In the co-op model, all members invest in a co-op at an equal and fixed share price (unless the membership votes to change that share price).

### **Surplus comes back to members**

Co-op members receive returns that are in equal proportion to their use of a co-op. If we turn a profit during the year, that surplus comes back to you. That allows us to keep our profit under local control, rather than losing that control by turning it over to the federal government in the form of income taxes. Our price structure reflects a delicate balancing act of striving to keep prices reasonable while trying to keep the doors open and make good on the membership investment. Our buyers work hard to keep our prices as low as possible by

working with vendors to get discounts and deals.

### **Member Advantage Price**

We offer many products in the store to our members at price margins often lower than 35 percent (look for the yellow Member Advantage Price tags). As we see an increase in the volume of members and customers who choose to purchase cooperatively, we will be able to lower more prices, as an increase in sales gives us stronger purchasing power, which in turn helps to lower the cost of goods to the Co-op.

As an independent and member-owned business, we simply can't and don't compete with other corporately-owned grocery store chains that can offer low, low prices based on pur-

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***If we turn a profit during the year, that surplus comes back to you. That allows us to keep our profit under local control, rather than losing that control by turning it over as income tax.***

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chasing power spread out over many, many storefronts.

### **Choose to shop cooperatively**

The choice to shop cooperatively can have extremely positive personal and social consequences, as we offer you the opportunity to use your food dollars to support the health of the local economy and the co-op values of democracy, equality, solidarity, and social responsibility. (For more information about co-op values and principles, you can visit the website of the International Co-operative Alliance: [www.ica.coop](http://www.ica.coop).) You can be a part of helping us to lower our prices in the long run by strengthening our financial health and making the choice to spend your food dollars here. Go Co-op!

**October is  
National Co-op  
Month!**

## CO-OP BOARD COMMITTEES

Call the contact person listed below for more information or meeting times. Not all committees meet regularly.

**Board Development Committee** Oversees board orientation, training, handbook and meeting process. Susan Lauchlan, 338-0406.

**Bylaws Committee** Reviews Co-op bylaws. Kip Penney, 722-3112.

**Charitable Giving** Reviews charitable giving policy. Ronald "Goldy" Goldstein, 338-2532.

**Community Interaction Committee** Responds to communications, especially complaints and grievances, directed to the board. Bindy Pendleton, 338-4256

**Deli Committee** Advises on deli operations. Jerry Savitz, 338-1492.

**Elections & Annual Meeting Committee** Plans and carries out elections and annual meeting. Debbi Lasky, 589-4546.

**Environment Committee** Advises on the store's physical environment. Scott Giroux, 323-0609.

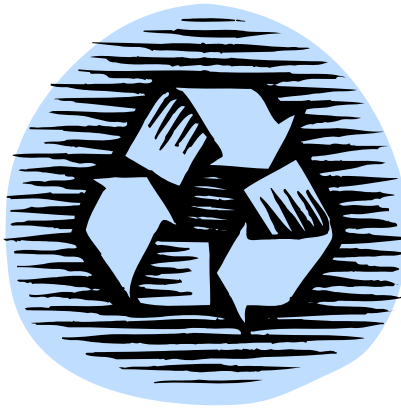
**Finance Committee** Serves as financial advisor to management, oversees Co-op's finances. Allen Ginsburg, 338-1757.

**Long-Range Planning Steering Committee** Guides long-range planning process. Richard Brown, 338-3408.

**Management Oversight Committee** Meets regularly with general management team and evaluates team members. Bindy Pendleton, 338-4256.

**Membership Education and Outreach Committee** Advises on membership policies and matters, including member education. Susan Lauchlan, 338-0406.

**Purchasing Committee** Reviews our purchasing policy and process. Richard Brown, 338-3408.



## Recycling resources and tips

*Here's a handy list of used items you can recycle at the Co-op and elsewhere in Belfast.*

**Cellphones:** Right here at the Co-op and also at The Green Store, 71 Main St., or on-line at <http://www.maineearth.org>. This program is an Earth Works project, which benefits Maine Earth Institute.

**Rechargeable Batteries:** The Green Store, 71 Main St., MacLeod Furniture (phone batteries only), 187 High St. and Viking Lumber, U.S. 1.

**Ink Jet Cartridges:** The Green Store, 71 Main St. This project benefits the Youthlinks program in Rockland.

**Used Motor Oil:** Duval Auto Service, 142 Church St.

Did you know that if you have an old TV, VCR or computer, or mercury containing products such as florescent and compact florescent bulbs and thermostats or thermometers, you can take them to your local transfer station for disposal?

Another option is asking your town or city to sponsor an area-wide or countywide Hazardous Waste Collection Day for these toxic items.

For regular recyclables, look in the back of the Verizon phone book for recycling guidelines for your town.

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thrown away. Along with such changes, we will require customers who are returning items to fill out a form stating the reason for their return. This will let us track customer satisfaction and return repetition.

### **Extensively researched**

We have extensively researched the return policies of many other co-ops to see how the priorities for fiscal responsibility and customer service are balanced. Our new policy is right in line with our fellow co-ops'. Included below, we hope it speeds up the return process and gives you the service you expect.

### **Belfast Co-op Store Return and Exchange Policy**

- The Belfast Co-op will honor returns made within two weeks of purchase.
- Returns accompanied by a receipt are eligible for cash back if applicable. Returns with no receipt may be eligible to be issued store credit if all other return criteria are met.
- We require a receipt for returns or exchanges of all health and beauty (HABA) items.
- We will gladly allow you to return or exchange any spoiled or damaged product if all other return criteria are met.
- As perishable items generally cannot be resold, we offer exchanges but no refunds on items that need to be refrigerated if all other return criteria are met.
- We will not honor items that are returned for problems with taste, texture, color, etc. according to personal preferences. We suggest you contact the manufacturers directly if you are dissatisfied with a product.



## Book Club Book Review:

***“Bringing the Food Economy Home: Local Alternatives to Global Agribusiness”* by Helena Norberg-Hodge, Todd Merrifield and Steven Gorelick.**

***Read by the Belfast Co-op Book Club***

***Reviewed by Erica Koenig, Co-op member and Book Club participant***

Growing up in the ‘50s and early ‘60s my family didn’t question the quality of food that we purchased at large chain grocery stores. In the late ‘70s I discovered health food stores. In the ‘80s and ‘90s organic food was becoming more available in the growing number of small health food stores and local co-ops. I firmly believed in growing and eating organic: that what was put in the soil and what was sprayed or not sprayed on the plants would determine the quality of the soil and what was harvested.

Today, though, it is not so simple. There are a myriad of other interconnecting issues around food affecting every person on the planet. There are the issues of large global agribusinesses, the loss of small local farms, the health and safety of farm workers, the loss of traditional cultures’ sustainable agriculture, carbon footprints and global warming. We are confronted with genetically modified foods, the biotech industry, and the collusion with and overtaking of governments by global food corporations. Consumers are left subjected to the economies of profit of large corporations and a colluding media that deftly sells products with enticing advertising images. All of this leaves consumers not knowing the truth of what is on their plates.

“Bringing the Food Economy Home” addressed all of these issues and more. What I learned became immediately relevant to me. I was eating some packaged organic strawberries from California when

a short time later I began having difficulty breathing. I then recalled reading that organic food shipped long distances “is more likely to be packaged, processed, and preserved to increase its shelf life.” Could it be the strawberries? The definition of what is organic is being influenced by large corporate agribusiness. The label no longer can be taken at face value. I saw clearly in that moment the truth that the best way to be assured of the quality of one’s food is to know where it came from, who grew it, and the importance of supporting those resources.

In another instance I was in a local store buying some organic corn chips. The cashier said she loved these chips and loved that they were organic and thus actually good for her. That scared me. Due to the drift of pollen from genetically modified corn it is not possible to know if corn that is grown organically is indeed organic. In the section of the book on genetically modified corn is the following: “According to Farm Verified Organic, a US-based organic certifier, genetic pollution of corn, canola, and possibly soybeans is already so pervasive, ‘it is not possible for farmers in North America to source seed free from it.’ ”

On a state level another issue involving genetically modified corn caught my attention. Maine had been the only state to prohibit the cultivation of Bt corn: corn that has been genetically modified to produce its own pesticide. In July,

however, the Maine Board of Pesticide Control reversed its position. In the short term Bt corn will produce more crop and need to have less pesticide applied mechanically. But in the long run? It has not been studied.

One of the concerns is that it could cause the evolution of resistant pests in which case different and stronger pesticides will need to be developed and applied. And due to pollen drift it will affect organic farmers, the corn in backyard gardens, and consumer wanting organic corn. Some Maine farmers think that to compete in the global economy they need to be able to grow Bt corn. They may be correct but for how long, and what are the environmental and health consequences? Can we create other options for them?

I highly recommend this small well-written book. We need each other’s voices and insight to protect our health, our families, friends and strangers, and the kind of future we will find ourselves in.

### **New Book Club session**

Next up for the Belfast Co-op Book Club: “Deep Economy” by Bill McKibben. This provocative manifesto ([www.billmckibben.com](http://www.billmckibben.com)) puts forward a new way to think about the things we buy, the food we eat, the energy we use, and the money that pays for it all. Book Club groups are limited, and the fall session is full. For more information: Fran Clemetson, [education@belfastcoop.com](mailto:education@belfastcoop.com).