



# SCORECARD & ANNUAL REPORT

**Seward Co-op will sustain a healthy community that has:**  
Equitable economic relationships;  
Positive environmental impacts; and  
Inclusive, socially responsible practices.



Jess Toliver teaching a Microgreens class



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Our annual scorecard is a way we track our financial and social performance as we work to live out our Ends statement in real-time. Learn about our new and existing initiatives, and hear from our General Manager and board of directors President.





## Re-center, simplify, connect and grow

Ray Williams, General Manager

Dear Seward Co-op owners,

This year I have been honored and humbled to firmly step into the leadership role as the new General Manager of our co-op. Throughout these tumultuous past few years, Seward Co-op has shown up with transparency, compassion, and commitment to our community. Our work now is to re-center, simplify, connect, and grow so that we can continue working toward our Ends.

In fiscal year 2023, Seward Co-op achieved positive sales growth of 3.2% over the prior year. This was our second consecutive year of positive sales growth, following five years of sales declines. Our pre-tax net income of \$47,208 was not enough to declare a patronage refund, and we are still working toward a level of profitability that will support our long-term sustainability. This is a long-game that will require major operational changes coupled with patient reflection. We need to adapt to a changing market, and we want to do so in a way that remains true to our Ends.

As we experience fewer impacts from the pandemic, we have been able to embark on some major projects to support the long-term viability of the co-op. In early November of 2022 we closed on the loan to purchase the Creamery building. After leasing it since 2014, in September of 2022, the board of directors recognized the purchase was in the best interest of the co-op and authorized the acquisition. We continue working strategically on short- and long-term planning for the future of the building. We heard from many co-op owners at the CSA Fair in April 2023 during the Creamery “walk and talks,” and these discussions are informing our ongoing work.

We are also nearing the completion of a major remodel of our Franklin store with a goal to provide an improved store experience for both customers and staff members. These past months at Franklin have sometimes been messy, noisy, and even frustrating. But this kind of project is necessary to keep the co-op vital, and growing—creating more and better paying jobs, providing nutritious food to more families, and supporting more small-scale farmers and other Community Foods producers. I want to personally thank you—our owners, customers, and staff members—for your patience and steadfast commitment throughout this important project.

Although it is not part of fiscal year 2023 reporting, it is worth acknowledging that Seward Community Co-op and our employees’ union, UFCW Local 663, unanimously ratified a three-year industry-leading contract, which provides higher wages and more staff benefits.

◀ The co-op’s position has always been to offer the best wages possible while being responsible to our owners and customers. We believe that this new contract balances our desire to provide the best possible workplace experience with management’s responsibility to ensure the long-term financial sustainability of our community-owned co-op. I am proud that we were able to come to an agreement rooted in our shared values.

I hope you’ll take the time to look through our Scorecard this year—this is an evolving tool that we use to measure our ability to sustain a healthy community that has equitable economic relationships, positive environmental impacts, and inclusive, socially responsible practices. We have so much to be proud of, and these are the things that make us different from other corporate, multinational grocers in the marketplace. As of this year, we now have over 24,000 total co-op owners. It is increasingly challenging to survive in the competitive, corporate-dominated grocery industry, so I want to thank you—our co-op owners—for choosing to shop with us as a community-owned enterprise.

## Other notable accomplishments this year:

We are closing the book on our 50th anniversary celebrations—literally! Check out the new 50th anniversary keepsake book, which shares stories of the past decade of Seward Co-op, explores the roots of the cooperative movement in the Twin Cities’ Black community, and looks ahead to an optimistic future.



Our Equity Team continues to expand on our equity work. New leaders at the co-op receive Intercultural Development training and assessment. Equity Team members developed and rolled-out a mandatory, all-staff equity training over the past year and are developing standard operating procedures related to hiring for intercultural competency and recognizing and responding to microaggressions. Two staff-led affinity groups are active—one for staff who identify as queer/trans and one for staff who identify as BIPOC. We also began a facilitated “examining whiteness” study group for white-identified staff.



## Laying the foundation for the next 50 years

LaDonna Sanders Redmond, Board President

As you all know, these last few years have been tumultuous and full of challenge and change. Last year marked the turning point of our 50th anniversary, and now we find ourselves looking forward into the next half-century.

In February, we hired Ray Williams as General Manager, and I couldn't be happier with our decision. Ray was the inaugural store manager when we opened the Friendship store and has continually demonstrated his commitment to making Seward Co-op a thriving organization in his various roles in the years since. After celebrating our 50th anniversary, we cannot diminish the historic nature of Ray stepping into his role as the first Black GM in Seward Co-op's history. Together, Ray and Seward Co-op are making history and showing the world what modern cooperative leadership looks like.

Having the opportunity to hire Ray as General Manager is in some ways a culmination of Seward Co-op's ongoing commitment to diversity, equity, and inclusion within the cooperative movement. This is work that I initiated as Seward Co-op's first Equity and Community Engagement Manager and then continued to lead in my role as board member and board president. I am also proud of our co-op as we ratify our third union contract with industry-leading wages and benefits. We strive to pay all staff fairly while stewarding all the resources of the co-op. Keeping our co-op a great place to work is inseparable from ensuring our local environment is stewarded sustainably. In order to build a better world, we have to start where we are.

There is still so much work to do; and, with this relative stability, I have decided to step down as the board's President. I will remain on the board for the rest of my term, but I believe that power should be shared, and it is time for someone else to hold it. I am glad to have helped keep us on course during some of the most difficult years we have ever had. Since I joined the board in 2019, we weathered the COVID-19 pandemic and continued to serve our community with steadfastness and grace. As we reeled in sorrow and righteous anger in the aftermath of George Floyd's murder, we leaned into our cooperative values and reflected as a board and co-op community about how we can deepen our commitment to racial equity and infuse the work of abolition into our path forward. This foundation is present as we prepare the soil for the next 50 years of growth.

Lastly, I would like to extend a warm thank you to Vina Kay, who is leaving the board this year. Best wishes and thank you for your service to Seward Co-op over these last six years.



Top: Board President, LaDonna Sanders Redmond, speaking at the 2023 CSA Fair and Welcome Party for Ray Williams with board member Vina Kay and General Manager Ray Williams; Left: Board member Claire Purvey Houston and General Manager Ray Williams; Right: Board members Kate Seybold and Warren King tabling at the Friendship store in the summer of 2023.





This summer, Seward Co-op launched Microgreens, a new program for kids, with features in quarterly *Sprout!* publications, games, food-themed activities, and classes designed with the youngest cooperators in mind. Microgreens aims to get young people thinking about sustainability, engaging with their communities, and building healthy relationships with local food systems, all while making food fun. Microgreens makes the world of cooperatives and sustainably sourced food accessible and enjoyable to the youngest Seward Co-op shoppers. This year, we've offered seasonal activities including painting with berries and apple bingo, and we've held engaging classes on spring rolls, yogurt parfaits, and aguas frescas for Latinx Heritage Month. We continue to update our Microgreens webpage with further content to develop a vibrant resource for parents, guardians, and their children. Check out more at [seward.coop/microgreens](https://seward.coop/microgreens).



This year, Seward Co-op expanded discounts by introducing Wellness Wednesday. On the fourth Wednesday of each month, all shoppers at Seward Co-op can take 10% off supplements and personal care products, including regular and sale priced items. Discounted items include skin and hair care, supplements, vitamins, protein powder, deodorant, toothpaste, and menstruation products, among others. Wellness Wednesday discounts are available to owners and non-owners alike, and can be combined with owners' quarterly 10% discount.



## Reusable Deli Containers



This year marked the official launch of reusable Deli containers at the Hot and Salad Bars. This new packaging for customers on the go is a blend of convenience and waste reduction. Not only are the green reusable containers light and rigid for easy transport, they also lock with a clasp to prevent spilling, have built-in dividers for different foods, and are microwaveable. Most significantly, they help reduce the waste and resources that go into making and transporting hundreds of single-use compostable containers. While the merchandising team wrestled with the idea of choosing plastic for the reusable containers, it was ultimately the most durable option that could be used hundreds of times and recycled when it had exhausted its use. As the first grocery in the area to offer this kind of program, Seward Co-op is excited to act as a leader in waste reduction and environmental sustainability. Read more about reusable containers at [seward.coop/reusable-hot-bar-containers/](https://seward.coop/reusable-hot-bar-containers/).



Seward Co-op will sustain a healthy community that has **equitable, economic relationships**



**CO-OP EMPLOYMENT**

We create jobs to expand the cooperative economy.



Most of our employees are represented by UFCW 663 and are compensated based on the collective bargaining agreement. Those employees who are not part of the bargaining unit receive pay reviews each year on their anniversary date of hire. All employees receive a competitive benefits package including health (full-time staff), dental, disability and life insurance, paid time off, retirement plan, paid community service hours, co-op ownership and discount.

**STAFF DEVELOPMENT**

We develop staff to help build the cooperative economy and contribute to its highest ideals. Throughout the year, employees took part in **300** hours of training and development.



**EQUITABLE ECONOMY**

We contribute to a more equitable economy by offering quality products through intentional sourcing.

photo by Jack Li



**\$16.7 million** from Community Foods producers.



Community Foods is a Seward Co-op labeling program featuring producers that best align with our cooperative values and mission to sustain a healthy community.

A total of **\$1,972,013** fair trade products sold.

**ACCESSIBILITY**

We offer products that are accessible and affordable. Nourish items are Seward Co-op's most affordable foods and wellness products.

**\$1,765,480**  
Nourish products sold.

**\$2,061,074**  
in SNAP and WIC transactions.

**\$471,340**  
in needs-based discounts.





Seward Co-op will sustain a healthy community that has **positive environmental impacts**



**ALTERNATE TRANSPORTATION**

We promote alternative transportation to and from the co-op.



**1,890** square feet dedicated to car- and bike-sharing programs and bike parking.

**SUSTAINABLE OPERATIONS**

We operate sustainably compared to industry norms.



At Seward Co-op **79%** of all waste is recycled.



**REUSABLE DELI  
CONTAINERS USES SINCE  
THE LAUNCH IN OCTOBER**

**1164**

This is more than two uses per container we have purchased.

**MINIMAL PACKAGING**

We minimize packaging in the products we stock and feature.

**BULK PRODUCTS SOLD**

**\$2.5 million**

**MONEY GIVEN BACK TO SHOPPERS  
USING REUSABLE BAGS**

**\$35,930**



**MINIMAL IMPACTS**

We source products that minimize negative environmental impacts.



**\$16.5 million**  
of organic products sold.



**\$16.4 million** —  
of local products sold.



Seward Co-op will sustain a healthy community that has  
**inclusive, socially responsible practices**



**STAFF DIVERSITY**

We hire employees who reflect the neighborhoods in which we operate.



STAFF RESIDING WITHIN WALKING  
OR BIKING DISTANCE (1.5 MILES) OF  
OUR LOCATIONS

**60%**

STAFF IDENTIFYING AS BIPOC

**39%**



MULTILINGUAL STAFF

**16%**



**CO-OP OWNERSHIP**

We invite everyone to become a co-op owner through multiple payment options and a needs-based discount.

**24,020** total owners

**903** new owners



**NEW OWNER PAYMENTS**

INSTALLMENT **4%**

NEEDS-BASED **32%**

IN FULL **64%**

**GIVING BACK**

We prioritize and promote giving back to our community.

CUSTOMER SEED  
DONATIONS

**\$149,627**

GRANTS, DONATIONS  
& SPONSORSHIPS

**\$56,490**

PAID EMPLOYEE COMMUNITY  
SERVICE HOURS

**146**



Division of Indian Work



**COMMUNITY RELATIONSHIPS**

We build respectful relationships with customers that cultivate trust within our cooperative.

PRODUCT CHANGES PER  
CUSTOMER REQUESTS

**238**

CLASSES OFFERED  
TO THE PUBLIC

**49**

COMMUNITY MEETINGS AND  
PUBLIC STORE TOURS BY STAFF

**81**





## FISCAL YEAR 2023 July 1, 2022–June 30, 2023

Some significant features of this past fiscal year included fewer impacts from the pandemic, the receipt of our final stimulus funds, modest positive sales growth, and a small positive net income. We were also able to exercise our purchase option on the Creamery building, and began work on the Franklin store remodel.

### INCOME STATEMENT

	2023		2022	
Net Sales	\$ 41,002,485	100.0%	\$ 39,728,563	100.0%
Discounts	(824,214)	-2.0%	(794,211)	-2.0%
Cost of Goods	(24,552,481)	-59.9%	(24,156,890)	-60.8%
Gross Profit Margin	\$ 15,625,790	38.1%	\$ 14,777,462	37.2%
Wages	8,543,273	20.8%	9,018,830	22.7%
Benefits and Taxes	1,680,528	4.1%	1,704,282	4.3%
Total Labor Expense	\$ 10,223,801	24.9%	\$ 10,723,112	27.0%
General and Administrative	3,977,615	9.7%	3,854,781	9.7%
Depreciation	877,374	2.1%	984,310	2.5%
Total Expenses	\$ 15,078,790	36.8%	\$ 15,562,203	39.2%
Net Operating Income	\$ 547,000	1.3%	\$ (784,741)	-2.0%
Other Income	169,175	0.4%	389,421	1.0%
Net gain on New Markets financing maturity	-	0.0%	3,139,207	7.9%
Interest Expense	(668,967)	(1.6%)	(723,569)	(1.8%)
Income Before Patronage and Taxes	\$ 47,208	0.1%	\$ 2,020,318	5.1%
Patronage Refund	-	0.0%	(789,565)	(2.0%)
Income Tax Expense	(17,051)	(0.0%)	-	0.0%
Income Tax Benefit	-	0.0%	3,686	0.0%
Net Income	\$ 30,157	0.1%	\$ 1,234,439	3.1%

In Fiscal Year (FY) 2023, the co-op achieved positive sales growth of 3.2% over the prior year. We have now grown the past two years, after four years of sales declines. Our prior two years had large operational losses, which were offset by pandemic related stimulus, and the debt forgiveness that was part of the New Markets Tax Credit financing we used to build the Friendship store. In FY2023, we operated at a break-even level. Positive sales growth, stronger gross margin, and a labor percentage closer to historical norms were keys to that operational turnaround. Our pre-tax net income of \$47,208 was not enough to declare a patronage refund, and we are still working back toward a level of profitability that would support our long-term sustainability.

The statements have been audited by Mahoney CPAs and Advisors.  
A complete copy of this audit is available to owners upon request.

### CASH FLOW

	2023		2022	
<b>From Operations:</b>				
Net Income	\$ 30,157		\$ 1,234,439	
Depreciation & Amortization	877,374		984,310	
Adjustments from Operating Activities	35,735		7,938	
Adjustment for Employee Retention Credit	401,135		2,411,389	
Net gain on New Markets financing maturity	-		(3,139,207)	
Changes in Operating Assets & Liabilities	(1,181,148)		897,229	
Cash Flow from Operations	\$ 163,253		\$ 2,396,098	
<b>From Investments:</b>				
Repayments on Loans Receivable	16,500		678,000	
Purchase of Property and Equipment	(1,887,781)		(180,313)	
Cash Flow from Investments	\$ (1,871,281)		\$ 497,687	
<b>From Financial Activities:</b>				
Increase (Decrease) in Long Term Liabilities	451,461		(1,975,960)	
Increase (Decrease) in Equity	448,421		521,924	
Cash Flow from Financing	\$ 899,882		\$ (1,454,036)	
Total Cash Flow:	(808,146)		1,439,749	
Beginning Cash	3,350,375		1,910,626	
Ending Cash	\$ 2,542,229		\$ 3,350,375	

While the co-op was break-even from a profitability standpoint, our cash flow for the year was negative \$808,146. This was primarily due to spending on the Franklin remodel. While this project is largely being financed by new debt, we had not yet drawn on those loans at our fiscal year-end. We also received our final \$400,000 Employee Retention Credit.

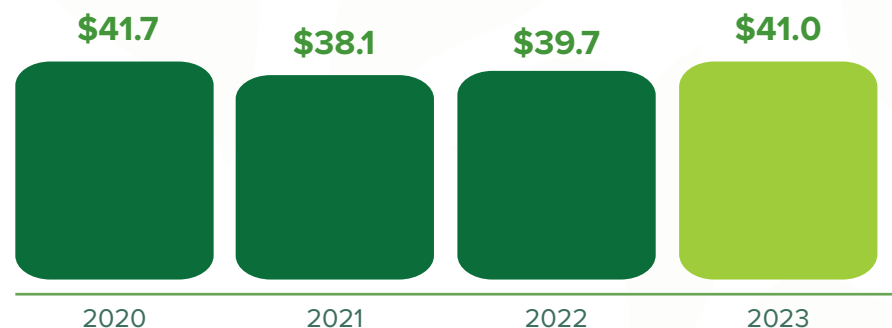
## BALANCE SHEET

	2023	2022
Cash	\$ 2,542,229	\$ 3,350,375
Inventory	1,021,101	1,037,675
Employee Retention Credit Recievable	-	401,135
Other Current Assets	278,102	235,793
Current Assets	\$ 3,841,432	\$ 5,024,978
Property and Equipment, net	19,092,006	18,041,692
Other Assets	1,362,680	2,686,379
Total Assets	\$ 24,296,118	\$ 25,753,049
Current Portion of Long Term Debt	1,609,110	1,693,370
Other Current Liabilities	2,690,736	3,813,081
Total Current Liabilities	4,299,846	5,506,451
Long Term Debt	10,046,743	10,775,647
Total Liabilities	\$ 14,346,589	\$ 16,282,098
Member Equity	9,108,578	8,556,753
Retained Earnings	840,951	914,198
Total Equity	9,949,529	9,470,951
Total Liabilities and Equity	\$ 24,296,118	\$ 25,753,049

Our balance sheet overall was smaller at the end of FY2023 than at the end of FY2022, as we have not been in a period of growth and significant re-investment. Key balance sheet ratios, including our debt-to-equity and current ratios, remain healthy. The increase in total equity was largely a result of the B stock portion of the patronage refund we declared in FY2022.

## ANNUAL SALES

*in millions*



# Cooperative Principles

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community





## **Seward Community Cooperative**

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### **Seward Co-op Franklin Store**

2823 E. Franklin Ave., Minneapolis, MN 55406

### **Seward Co-op Friendship Store**

317 E. 38th St., Minneapolis, MN 55409

### **Seward Co-op Administrative Offices**

2601 E. Franklin Ave., Minneapolis, MN 55406

[www.seward.coop](http://www.seward.coop)

A decorative graphic of stylized leaves in various shades of green, located in the bottom right corner of the page.