

2009 Success Brings Patronage Dividends Possibility

Carol Spurling, Outreach and Ownership Coordinator

The profitability that our Co-op enjoyed in 2009 brought with it unexpected questions. The most important question might be: What is the cooperatively appropriate way of handling our profit?

There is no single answer. What to do with profit will (hopefully) be an ongoing concern of the Board. There are many ways to handle profit: saving for the future, funding capital needs, paying off debt, supporting our strategic goals, and providing member-owner benefits.

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more patronage dividend you'll receive. Only cooperatives can offer this type of financial benefit to their owners.

For most member-owners, any patronage dividends they receive are non-taxable. Co-ops do have to pay taxes on profits, but not on patronage dividends, so it is a smart financial strategy to transform profits into patronage dividends. We can pay out all the store profit in the form of patronage dividends to member-owners, or retain a portion of the dividends to build a strong future for the Co-op.

As soon as store staff and the Engagement and Outreach committee realized in the 2nd half of 2009 that we would have a profit for the year, we began the process of adding patronage dividends to our array of member-owner benefits. We knew we wouldn't be able to give them for 2009 – you have to have everything in place more than a year in advance – but we wanted to make it a possibility for the future.

The process of implementing patronage dividends for the first time is not a straightforward or quick one. It involves answering many legal and financial questions as well as educating ourselves about how it all works.

At the time of writing this annual report, it is not yet known if we will have jumped all the hurdles necessary to offer patronage dividends for 2010. (We have accomplished some tasks but others are still ahead of us.) Also, we won't know if we've really earned a profit for 2010 until much later in the year. (It looks good so far.) Rest assured, we are working on it diligently, and will keep everyone informed about our progress through the newsletter, our website, and signage in the store. In the meantime, please keep showing your member card every time you shop, so you don't miss out on any patronage dividends that might come to you!

One of the most important things we can do with our profit is give some of it back to you – as a patronage dividend.

Patronage dividends are profits returned to member-owners in proportion to the amount of their purchases. The more you've spent at the store, the



In 2009 we sold:

- 327,000 cookies from our bakery
- 40,000 pounds of organic bananas
- 25,236 local eggs
- 25,000 Bequet Caramels
- 15,000 pounds of ground beef
- 13,440 loaves of salted French bread
- 11,500 pounds of Hass avocados
- 10,600 slices of Deli pizza
- 5,500 gallons of milk
- 5,000 bread sticks
- 4,500 packages of Emergen-C
- 3,600 pounds of local honey
- 1,700 Pabst Blue Ribbon beers
- 1,000 pounds of ground buffalo
- 365 bottles of Mont Pellier Pinot Noir Wine



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