



2018

NCG Advocacy and Sustainability Report

We Are Your National Support Co-op

National Co+op Grocers (NCG) is proud to represent 145 retail food co-ops working together to improve access to healthy and affordable food produced in ways that are better for people and the planet. The work described in this report reflects the investment and participation in NCG by our owner and associate food co-ops as well as the shared values, goals and aspirations of our board, staff and broader cooperative community.

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Cooperation Increases Our Impact

People organize food co-ops to bring healthy, delicious food into their neighborhoods, but the benefits of organizing a food co-op don't stop there. Food co-ops help people realize positive changes they want to see in their own lives, their neighborhoods and our world.

NCG proudly carries this community spirit into the natural products industry, cooperative sector and global food system. With the input of our owners and associate food co-ops, NCG works to influence national policies and support projects that prioritize a regenerative, resilient food system, an inclusive economy, the fair treatment of people and a healthy environment. Together, we are benefiting people, families, businesses and diverse communities around the world.



C.E. Pugh
NCG Chief Executive Officer



01

Influencing National Policy

Healthy, Affordable Food

Food co-ops want to make nutritious food accessible to everyone and NCG works on behalf of co-ops to advance food access on a national level.

NCG joined a broad group of 32 other national organizations to urge congressional **Farm Bill** leaders to protect and strengthen our nation's nutrition assistance programs and reject any provisions that would create additional barriers for individuals and families struggling with food insecurity. Food co-ops joined with others to successfully lobby for a \$150 million increase in funding for the **Food Insecurity Nutrition Incentive (FINI)** grant program, which will enable eligible food co-ops to offer SNAP shoppers vouchers to double their dollars spent on locally grown and/or organic fruits and vegetables.

Although 2018 saw no legislative opportunities to move forward on changes to the **Women, Infants and Children (WIC)** nutrition assistance program, NCG continues to work with policy advocates in Washington D.C. to lobby for inclusion of healthier and/or organic options in the program.



▶ NCG Advocacy Senior Manager Allie Mentzer meets with Senator John Boozman of Arkansas.



Inviting the Community to Dinner

Durham Co+op Market in Durham, North Carolina developed a **\$3 dinner program** for their deli that offers a tasty and satisfying meal to their community once a week. The co-op shared this program with NCG, helping co-ops across the country to adopt it, making a healthy meal more accessible in more communities.



▲ NCG staff attended Organic Trade Association's 2018 Hill Day to lobby for organic priorities in the Farm Bill.

Organic Agriculture

Organic food is important to our shoppers. In fact, certified organic products make up 40% of NCG food co-ops' annual sales. In 2018, NCG coordinated promotions that generated \$65 million in sales of certified organic products. NCG also works on behalf of our food co-ops to strengthen and protect national organic standards in a variety of ways.

NCG successfully lobbied Congress in support of **organic legislation in the Farm Bill**. In addition to raising a call to action among food co-op shoppers, NCG and co-op staff visited Capitol Hill, sent letters and called lawmakers in support of increased funding for organic research and improved enforcement of organic integrity for imported foods. We asked Congress to protect cost share programs that support small organic producers and family farmers and to reject any efforts to weaken the role of the **National Organic Standards Board**, a volunteer board which serves to maintain transparency in organic standards.

Wins for organic in the Farm Bill

- Permanent funding for Organic Agriculture Research and Extension Initiative (OREI)
- Improved federal efforts to prevent organic import fraud
- Funding for certification cost-share program for small and beginning organic farmers
- Funding for USDA's Organic Data Initiative to track the organic supply chain

Big things happen when we GRO Organic

Ever wonder why the benefits of organic agriculture aren't widely promoted? Or why, despite abundant evidence that organic is good for people and the environment, research on organic is low? In short, it's a lack of funds. NCG is part of an organizing effort within the organic community called **GRO Organic** that will pool organic industry resources to fund research and promotion of organic. We're excited to see what grows!

The Right to Know

From pasturing to pesticides, it's everyone's business to know how our food is produced. NCG works on behalf of our food co-ops to protect consumer rights and advocate for transparency in food production.

In 2017, NCG signed on to a lawsuit against USDA for failing to implement the **Organic Livestock and Poultry Practices final rule**, a rule with strong public support. In October 2018, the court agreed that our case has merit and will allow it to move forward. This rule is important to protect because it was developed in full accordance with the transparent public process established by Congress to ensure strong, continuously improved organic standards. We look forward to arguing our case in 2019.

NCG also joined consumer groups and concerned companies to formally petition Environmental Protection Agency (EPA) to greatly limit the legal level of the herbicide **glyphosate** allowed in conventional oats.

Food co-ops have worked for years to make transparency a priority when it comes to labeling foods produced using genetic engineering (a.k.a. GMOs). Together we have lobbied Congress and rallied the food industry to provide clear, consistent labeling so that people can decide for themselves whether or not to purchase GMO foods.

Following passage of the **National Bioengineered Food Disclosure Standard**, NCG submitted extensive comments to USDA, urging consumer-friendly implementation.

We are disappointed that final regulations do not require on-package disclosure for all foods produced using genetic engineering, and continue to encourage manufacturers to:

- Voluntarily disclose all GMO products
- Disclose using on-package, plain language

Our continued advocacy on this topic has helped bring consumers' call for transparency directly to companies.



Food Co-ops and GMO Labeling

In 2018, USDA released new national labeling rules for products that contain bioengineered foods (better known as GMOs). Since 2011, food co-ops have advocated for a clear, on-package label using familiar terms for GMOs. Find out more about [what the new labels mean and how food co-ops champion consumer rights on StrongerTogether.coop](#).

▼ *NCG formally petitioned EPA to greatly limit the legal level of glyphosate in oats.*



▼ These fair trade farmers in Kerala, India, produce the coconuts Alter Eco uses in their chocolate truffles.



02

Building an Inclusive Economy

Supported kids' free lunch program
Cleared neighbors' invasive species
Bought a coffee for the customer behind me

Sent toys to family we met on vacation

Picked up litter

Gave cash to homeless

#coops4kindness

Delivered lost package to neighbor

Purchased renewable energy

Pushed carts out of parking lot

Donated drinks to community event

Brought a meal to a friend with a new baby

Picked up someone's dropped belongings

Did a Facebook fundraiser

Gave my visor to a kid who ruined hers

Rode bike to work

Fixed a website

Bought a meal for a person in need

Gave gas money

▲ Acts of kindness, big and small, completed by NCG staff during the #coops4kindness campaign.

Boosting the Co-op Signal

Organizing and opening a new retail food co-op is a rewarding but often challenging and lengthy process. In 2018, NCG once again contributed \$50,000 to the **Food Co-op Initiative** (FCI), an organization that offers information, tools, training and resources to communities that want to organize and open a food co-op.

NCG gave a presentation and moderated a panel at the National Cooperative Business Association's **2018 Co-op IMPACT conference** in October. The event brought together U.S. cooperatives to share ways to build a more inclusive economy. We were honored to share, on a national stage, how food co-ops have an outsized impact on their communities by giving back, improving access to nutritious food, minimizing their carbon footprints and providing good wages and benefits to staff.

NCG participated in the **#Coops4Kindness campaign** organized by Cooperatives for a Better World. The campaign encouraged co-ops across

industries to work together to complete one million acts of kindness in one year, which was surpassed with 1.4 million acts. The campaign showcased how cooperatives demonstrate concern for their communities as part of their operating principles. NCG and staff contributed 10,356 acts of kindness, including 235 hours volunteering and actions like shoveling snow, providing childcare and many donations of books, food, money and time.

Looking out for each other

Co-ops around the world were hit hard by natural disasters in 2018. With the help of our co-ops and industry partners, NCG raised \$150,000 to rebuild co-ops in Puerto Rico after Hurricane Maria. We also piloted a new **disaster recovery fund** for NCG food co-ops, which has already helped Tidal Creek Cooperative in Wilmington, North Carolina recover from Hurricane Florence.

B the Change

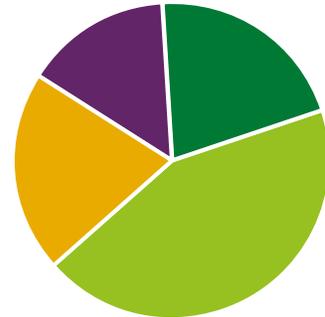
Co-ops aren't the only businesses working on building a more inclusive economy, B Corps are also focused on this goal. NCG has been a **Certified B Corporation** for 8 years, earning recertification in 2018. In fact, NCG was named a "Best for the World" corporation in the governance category by B Lab, for incorporating our mission and values into everything we do.

NCG has participated in the B Corp Inclusive Economy Challenge for three years, making and fulfilling commitments like raising staff wages to 60% above the local livable wage and improving the gender diversity of our board of directors. A commitment to raising staff awareness about systemic bias, inclusion and diversity issues is ongoing.

NCG is committed to being a good employer and attracting strong and diverse talent to build our capacity to serve food co-ops.

NCG staff tenure in years

- Less than 2 years
- 2 to 4 years
- 5 to 10 years
- 11+ years



NCG staff benefits

- Paid employee healthcare premiums
- Pay above local livable wage
- Dental and eye care benefits
- 401K matching up to 4%
- Paid short- and long-term disability insurance
- Bike-to-work and partial gym benefits



Food Co-ops Offer a Hand and Heart in Puerto Rico

Co-ops thrive in Puerto Rico, where people have formed them for housing, employment, banking and more. After Hurricane Maria, we showed solidarity by raising \$150,000 to help co-ops rebuild on the island. [Read about the co-ops on StrongerTogether.coop.](#)

Promoting Fair Trade

Food co-ops have a long history of promoting **fair trade certified products**. Fair trade is an economic and social certification that guarantees producers are paid a fair and consistent price for their product in markets that are often unstable. Fair trade empowers workers to invest in their communities and prohibits child labor.

In support of the **United Nations Sustainable Development Goals**, NCG made a commitment to increase our financial support for smallholder, fair trade and producer co-ops 20% by 2030. We made progress on this goal in 2018 by working with National Cooperative Business Association/CLUSA International to fund a mobile clinic for remote fair trade farmers in East Timor, a small island country off the coast of Indonesia. As of October, 4,300 patients have been served by the clinic, with an emphasis on maternal and children's health.

Food co-op customers demonstrate over and over that they want to buy products from companies that are making a difference in the world. NCG prioritizes partnerships with producer and worker cooperatives, B Corps and fair trade companies to bring more of these products to co-op customers more affordably.

20% by 2030

▲ NCG made a commitment to increase our financial support for smallholder, fair trade and producer co-ops 20% by 2030.

Fair Trade Has a Role to Play with Climate Change

For World Fair Trade Day, food co-ops partnered with Fair World Project to raise awareness about how fair trade farmers are adopting methods that are good for the climate. Read about how [co-ops raised \\$8,000 to fund reforestation at Cooperative Norandino in Peru on StrongerTogether.coop](#).



▼ A coffee farmer in East Timor. NCG funded a mobile clinic for remote fair trade farmers in East Timor.





◀ This fair trade coconut farmer provides Vita Coco with young coconuts for their coconut water.



NCG's Co+op Deals promotions build an inclusive economy.

\$11.8 million

▲ Sales of cooperatively produced goods

\$13.5 million

▲ Sales of B Corp Certified products

\$8.3 million

▲ Sales of Fair Trade Certified products

Money raised through NCG promotions builds communities.

\$10,000

▲ Raised with Vita Coco to build a school for fair trade coconut farmers in the Philippines

\$8,000

▲ Raised for World Fair Trade Day to fund farmer-led climate projects in Peru

\$40,000

▲ Raised with Alter Eco and Equal Exchange for fair trade coconut and cashew farmers affected by floods in Kerala, India



▼ A fair trade farmer in the San Martin region of Peru plants a tree in Co+op Forest.

Photo courtesy of PUR Projet.

03

Social and Environmental Impact

Co+efficient™ Program

77% of NCG food co-ops participate in our voluntary sustainability metrics tracking program, Co+efficient.

Participants track energy use, food waste, donations, and dozens of other environmental and social impact areas.



Celebrating food co-ops that are making exceptional progress on environmental and social goals.

Annual Sustainability Star Awards

Since 2016, NCG has given 30 awards to food co-ops for leadership in sustainability.



▲ NCG's Co+efficient program helps co-ops measure and manage sustainability metrics.

Growing Our Positive Impact

NCG is committed to continual improvement and increasing our positive environmental and social impact. We are proud to operate with a paperless finance department, dramatically reducing waste. All of our office locations separate recycling, and we compost where municipal services are available (currently 80% of our offices). We prioritize the purchasing of reusable office supplies, and all electronics are properly recycled through an e-Steward certified recycler.

NCG also supports our co-ops in tracking and measuring their own impact through our Co+efficient program. We share our co-ops' best solutions and efforts through case studies,

webinars and networking—building our cooperative “brain trust.” NCG celebrates food co-ops that make exceptional progress with annual sustainability star awards, stirring friendly competition to drive continual improvement.

\$600,000

▲ Through NCG, food co-ops collectively donated over \$600,000 to organizations pursuing projects related to our advocacy priorities in 2018.

Embracing Diversity

NCG recognizes that a more diverse and inclusive work culture is crucial to food co-ops' capacity for innovation, recruitment, retention and effectiveness and it is vital that our organizations reflect the diversity of the communities we serve.

In 2018, NCG funded a primary consumer research survey to help food co-ops understand our strengths and opportunities to better serve co-op owners, shoppers and potential shoppers. Among other valuable takeaways, the study confirmed that co-ops have many opportunities to better reflect our communities on a local and national level. We have engaged diversity, equity and inclusion experts, [TMI Consulting](#), to work with us on a multi-year diversity initiative. We are excited about the opportunities to share learnings throughout this process with our co-ops.

NCG showed solidarity with communities that hosted our 2018 national meetings of designated representatives with contributions to local organizations working on diversity issues. We gave to the LGBTQ Center of Durham in North Carolina, to support those effected by state-level discriminatory laws and The Village Trust, a black-led credit union forming in Minneapolis, Minnesota.

In March of 2018, NCG sponsored a DEI dialogue among companies in the natural products industry during the industry's largest tradeshow, [Expo West](#). Attendees heard from a panel of diverse executives of leading brands who shared their experiences and perspectives on DEI within our industry.



Co+op Forest and Our Tropical Supply Chain

In 2018, food co-ops planted and protected just over 70,000 trees in the Peruvian rainforest, to offset carbon emissions associated with NCG's business travel and office utilities. It's called **Co+op Forest**, and since 2012, we've planted and protected nearly 2 million trees there with help from local fair trade farmers who grow some of the chocolate we sell.

Tropical rainforests are one of the most important natural resources we have when it comes to reversing global warming, yet currently, most agriculture taking place in the tropics is actively contributing to the problem.

Nowhere is this more obvious than with the production of palm oil. NCG encourages **sustainable palm oil sourcing** within our supply chain—in 2018 we successfully persuaded a key partner to make a switch to a sustainable palm oil approved by Palm Done Right.

70,000 trees

- ▲ In 2018, food co-ops planted and protected just over 70,000 trees in the Peruvian rainforest, to offset carbon emissions associated with NCG's business travel and office utilities.



Food Co-ops Are Building a Better Supply Chain

Food co-ops have been able to make progress within our supply chain to support innovative projects that are putting real climate solutions into practice, especially in tropical areas of the world. Visit StrongerTogether.coop to [read all about Co+op Forest](#).



► Lady Teolith is a farmer participating in Co-op Forest in the San Martín Biocorridor region of Peru.

Photos at left and above courtesy of PUR Project.

Leadership on Climate Change

As a pioneer and participant of the **Climate Collaborative**, NCG underwrites annual awards to highlight brands taking bold, meaningful action within our food system to slow climate change. In 2018, eight **National Co+op Grocers Climate Collaborative awards** were presented to companies in the natural products industry. Projects awarded include adopting an all-electric fleet of delivery vehicles, carbon-neutral production systems and the world's first truck powered by cow manure!

8

▲ Companies recognized for their climate leadership with a National Co+op Grocers Climate Collaborative award

300+

▲ Companies and food co-ops that have made commitments to the Climate Collaborative

3

▲ Commitments NCG has made to the Climate Collaborative in the areas of agriculture, policy and food waste



Climate Awards Offer a Glimpse of the Future of Food

The National Co+op Grocers Climate Collaborative Awards seek to promote stories of companies and individuals taking bold action within our food system to help slow, or even reverse, climate change. Visit StrongerTogether.coop to learn about [2018 award winners](#).



▼ Veritable Vegetable, winner of a 2018 National Co-op Grocers Climate Collaborative award. Photo courtesy David Mattheson Photography.

You Are the Co-op Difference. Thank You!

The projects and progress described in this report would not be possible without the hard work and cooperative efforts of many people—the leadership and staff at NCG, the leadership and staff at food co-ops across the country, the communities and customers we serve. **Thank you** for your part in our shared story—together we are changing the world one meal at a time!

Influencing Public Policy

24

▲ In-person meetings between NCG staff and congressional offices in support of organic farmers

\$150 million

▲ Increase in funding for the FINI food access program lobbied for by NCG

Building an Inclusive Economy

4,300

▲ Fair trade farmers and family members in East Timor with access to medical care as a result of NCG's United Nations sustainable development goals

10,356

▲ Acts of kindness NCG and our staff contributed to the national #Coops4Kindness campaign

Social and Environmental Impact

\$600,000

▲ Donated by NCG to organizations pursuing projects related to food co-op advocacy priorities

77

▲ Percentage of food co-ops that track sustainability metrics through NCG's Co+efficient program

18

- ▲ Letters sent by NCG to key lawmakers urging rejection of legislation that hurts SNAP shoppers

\$65 million

- ▲ Sales of USDA Certified Organic products generated by NCG promotions

1

- ▲ Lawsuit against the Trump Administration for refusing to strengthen organic animal welfare standards (OLPP) despite widespread support from the organic community

\$150,000

- ▲ Raised by NCG and vendor partners to rebuild co-ops in Puerto Rico after Hurricane Maria

3,700

- ▲ Peruvian fair trade farmers earning additional income and/or ecosystem benefits through Co+op Forest

\$33.6 million

- ▲ Sales of cooperatively produced, fair trade and B Corp products generated by NCG promotions

8

- ▲ Sustainability Star Awards given to NCG food co-ops for their positive impact

70,000

- ▲ Trees planted and/or protected to offset NCG's carbon emissions from 2017

8

- ▲ Companies recognized for their leadership on climate change with a National Co+op Grocers Climate Collaborative award

For more information

Visit NCG.coop to learn more about NCG and our food co-ops.

