



2015 Annual Report

Letter from the President

OVER THE PAST YEAR, the board has consistently been asked two questions:

When will the store open?
What about all the new competition?

These are questions worthy of good answers. While answering these questions, an additional aspect needs to be addressed that stems from our group being a unique model from other businesses. On the surface, Terre Foods Cooperative Market seems to be merely another retailer trying to find an opportunity in our local market; that is partly true, yet we also bring a different set of values concentrated on our local community that differentiates our model from that of a traditional retailer.

The first question may be answered simply: We do not have a store. Many promising opportunities arose this year, and some seemed like they were certainties; however, finding the right partner has been a struggle. We need considerable buy-in from local property owners or developers to complete the project, and the unique assumptions we bring to the table are difficult for many to work with. In fact, we were at the point of negotiating for properties more than once; however, each time we met with substantial obstacles. We are still working on it though, and very promising opportunities have recently presented themselves. From our membership we can only ask for patience and to spread the word about what Terre Foods will ultimately mean to our community.

To that end, it is important to note that community is the heart of the answer to the second question. What do we think of the increasing competition in our marketplace? While it is certainly a challenge, the increasing attention from large retailers in areas that were historically the domain of cooperatives and other small retailers can only be good. There is substantial demand for products and services that cooperatives like ours are uniquely situated to deliver, and we have the opportunity to deliver those products in a manner that is more transparent than the competition. However, cooperatives provide something more than other retail shopping experiences. They offer a set of values that inform the direction of the organization and its role in the local community.

While this new competition for the organic, local, and “natural” foods sector is evident throughout the national retail grocer landscape, one thing remains in favor of cooperative models: Cooperatives are more effective at identifying the needs of the local community. In fact, community is one of the core tenets of cooperatives, and is evident in the 7 Cooperative Principles that generally define how cooperatives put their values into practice, and those values often are quite different from standard businesses.

Terre Foods Cooperative Market is community owned and democratically represented, with a number of objectives in addition to bottom-line profitability. While we will work to create a financially sustainable business, that business is also responsible for improving the community we share with our member owners. As you interact with people in the coming year, please keep the following list in mind. These Principles differentiate us from our competition and make us uniquely valuable.

Chris Weber
Board President

7 Cooperative Principles

Cooperatives around the world generally operate according to the same core principles and values, adopted by the International Co-operative Alliance in 1995. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844.

1. VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.

3. MEMBERS' ECONOMIC PARTICIPATION

Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

4. AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

5. EDUCATION, TRAINING AND INFORMATION

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

6. COOPERATION AMONG COOPERATIVES

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. CONCERN FOR COMMUNITY

While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.

A New Visual Identity

The board began discussions about updating the logo in April of 2013.

Why update?

Original logo developed in 2008. its primary uses included:

- Letterhead
- Membership brochure
- Banners, yard signs, other posters
- Canvas bags, t-shirts, static clings
- Website, e-communications and social media
- Limited advertising applications

Transition into grocery store applications requiring a bolder, more compact configuration that would be distinctive in competition with other grocery stores.

Additional uses will include:

- Advertising
- Grocery bags
- Signage
- Carts
- Packaging and labeling



TERRE FOODS
cooperative market

Terre Foods logo and brand applications 2008-2015.



Be an owner
Join Today!

www.terrefoods.coop



While the original logo served Terre Foods well in its early days, it presented challenges when applying it to new uses. The typeface was too light, the colors not bold enough and the elements required a large visual space to be readable. Time to think "store!"



Examples of our competition's logos.

The process begins

In July of 2013, we solicited Requests For Proposals from local designers including the original Terre Foods logo designer, and a non-local designer who had done work with other co-ops. Two of the four local designers did not return a proposal. One declined due to a conflict of interest. The fourth submitted a proposal as did the non-local designer. The non-local designer's proposal was well done and reasonably priced. This along with her previous co-op experience gave her the edge and she was hired in August of 2013.

She submitted a Brand Strategy in September of 2013 and the first round of logo designs in October of 2013. Board provided feedback to three distinctly different design concepts in November and she responded with several ideas based on our preferred direction in December of 2013.

The board worked to refine several of those ideas and in March of 2014 asked member owners to come give us their feedback. The response: mheh. Nothing resonated strongly and it became clear that the options were not well liked. In addition, member owners gave feedback that a local designer or artist should be asked to submit ideas.

And so...

We sent feedback from the member meeting to the designer who provided refinements in June of 2014. Meanwhile, we reached out to three local designers/artists in September 2014 and received thumbnail sketches from one. The board did not find any of them suitable to pursue.

A new logo

In May of 2015, we decided to revisit our original list of local designers and asked Jenny Hoffeditz, now with Metropolitan Printing, to give us some ideas. She took existing ideas and added some of her own and quickly gave us more than a dozen concepts to consider between June and July of 2015. The board painstakingly reviewed and refined down to two concepts that were shared with member owners for feedback in December of 2015.

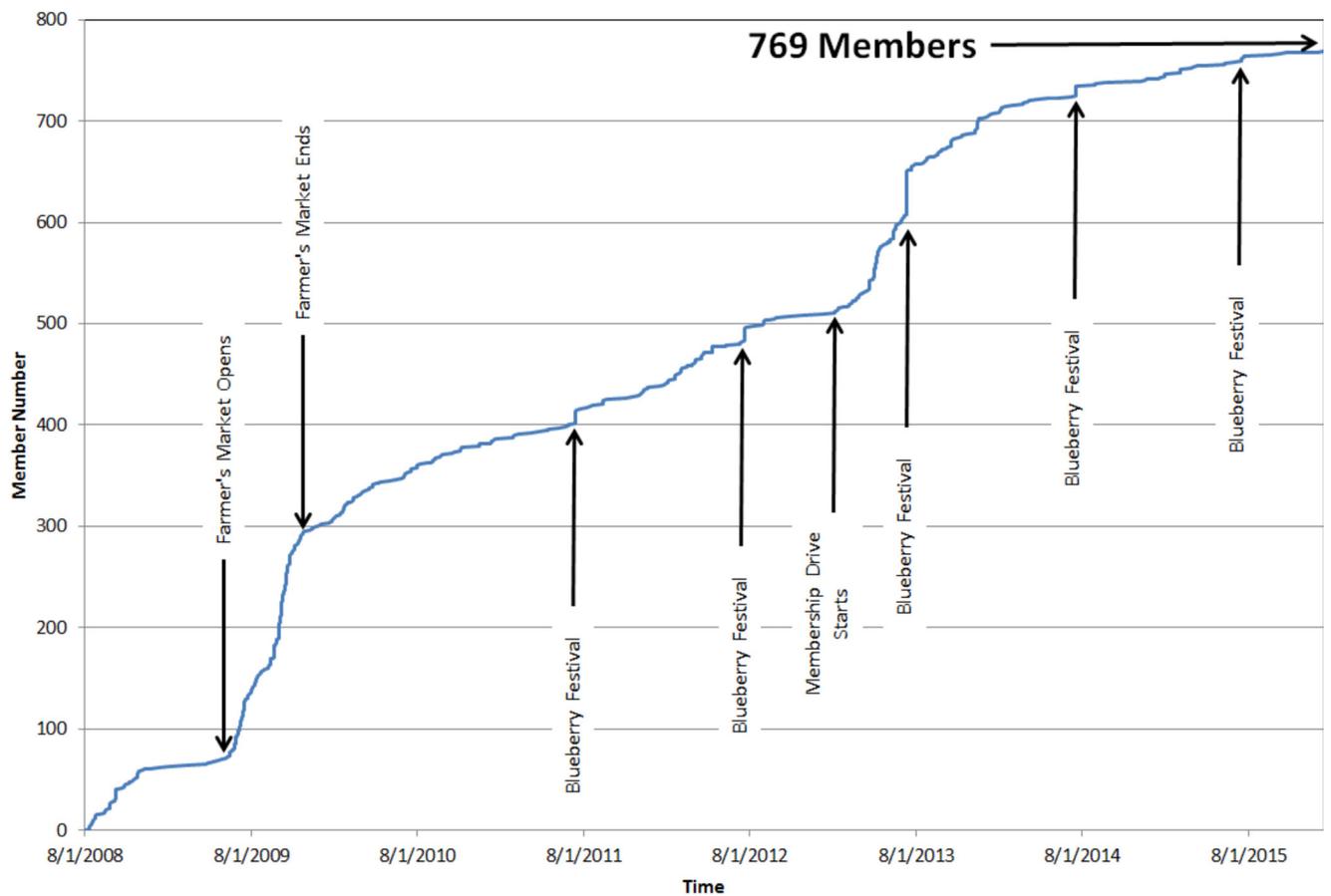
Overwhelmingly, this was selected as the new visual identity of Terre Foods Cooperative Market:



Work begins now to incorporate the new design into print and electronic materials. Look for a new website too!

Membership Curve

Terre Foods Cooperative Market Membership Curve



Prepared by Jim Speer, the chair of the Terre Foods Steering Committee.
Data is current to January 19, 2016.

Financial Statement

General Fund

Starting Balance (October 1, 2014)	\$44,335.83
Expenses	-\$19,896.50
Income	\$15,261.00
Equity	\$919.82
Ending Balance (September 30, 2015)	\$40,620.15

Capital Fund

Starting Balance (October 1, 2014)	\$76,520.79
Interest	\$76.16
Member-Owner Loans	-\$2,060.00
Equity	\$919.82
Ending Balance (September 30, 2015)	\$74,536.95

Net Profit From Events

Revenue	\$15,236.00
Cost	-\$11,881.68
Profit	\$3,354.32

Prepared by Board Treasurer Jennifer Hale

Mission Statement

The mission of the Terre Foods Co-op is to provide the Terre Haute community access to organic and natural foods and products at fair value. Priority will be given to locally grown foods and handmade products. As a member-owned market, we are committed to serving the needs of the community while using ethical and sustainable business practices. We want to encourage the development of a local food system in cooperation with small farmers and businesses in order to sustain and invigorate our regional economy. (Adopted Nov. 2, 2007)

Vision Statement

Our vision of the Terre Foods Co-op is to enrich our community by providing access to healthy, local foods at fair value while building a network of local providers. We endeavor to promote community well-being, environmental stewardship, and economic sustainability through cooperation. (Adopted Nov. 2, 2007)

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