

NCG Programs Update

November 2021

Greetings, Valued NCG Partners!



It's common to express gratitude at this time of year for the many ways each of us is blessed, but my gratitude at the present moment extends well beyond the spirit of the season!

These last 18 months have without question been the most challenging many of us have experienced, both personally and professionally. We are in awe of all the ways that our brand partners have responded to the challenges of these times. The dedication and ingenuity that all of you have shown in your efforts to keep our shelves well-stocked is truly remarkable! Frontline workers at our coops have also risen to the challenge of a sudden and sustained surge in demand

while having to constantly adapt to an ever-evolving understanding of what is required to keep their fellow team members and shoppers safe, as well as to dramatic shifts in consumers' needs. We're grateful for their commitment to their communities. Our NCG team, poised to launch our category management initiative in 2020, pivoted to focus on working with our brand partners on product availability, managing the swings in both demand and available supply, and adjusting plans we'd developed with you to support your brands to circumstances none of us could have foreseen.

And this spring, as we saw some early signs of recovery and stability, we launched what I believe will ultimately be the most transformational program our community of co-ops has developed to date our long-awaited Core Sets program. Core Sets stands on the shoulders of the work we've done with many of you through Co-op Advantage, Co+op Deals, Co+op Basics and Co+nvergence over more than 20 years now to strengthen and deepen the relationships between food co-op shoppers and our brand partners. I'm proud of what we've been able to accomplish and at the same time so excited for all that the Core Sets program will do to build on the success of these programs.

Your continued support for our work drives these efforts. Together we've made organic, fair trade, non-GMO, and "better for you" and "better for the planet" products more accessible and affordable to countless co-op shoppers. The communities our co-ops serve are better nourished as a result of what we've done in cooperation with you. Because of the relationships we have with all of you, NCG has been able to grow and flourish, increasing the resources available to food co-ops not just to better serve their communities, but to serve more communities! With Core Sets still in its infancy, and as we extend our efforts to create a more just economic system through our commitment to supplier diversity, it feels like we're just getting started.

There are no words that can adequately express the appreciation we at NCG feel for the relationships we've developed, the support you've shown us in our work, and the investment you've made and continue to make in co-ops — a better, "people-powered" way of doing business.

Thank you, thank you, thank you!

In cooperation, Ben Nauman NCG Senior Director of Purchasing

Working Together for Good

As consumer-owned businesses, NCG's member co-ops have a unique relationship with customers one that offers direct insight into the products they prefer as well as the issues that are important to them. This knowledge helps us better identify placement and promotional opportunities as we work with you to grow sales and is the catalyst behind our outreach to you on advocacy-related issues.

NCG's Advocacy Guidelines

NCG operates with advocacy guidelines that define the scope of our advocacy activities and help inform our positions on public policy. These guidelines are developed with input from a member advisory committee and speak to the values and priorities of NCG, our co-ops and their shoppers.

We are pleased to share our advocacy guidelines publicly for the first time. NCG's 2021 advocacy guidelines articulate our positions and activities in the following areas:

- Cooperative Business
- **Inclusive Economies**
- Racial Equity
- Food Justice
- Local Food and Farming
- Organic Certification
- Climate Action
- **Environmental Responsibility**
- **Engaged Citizens and Vibrant Communities**

It's exciting to share our advocacy activities with partners that have common interests and values. We look forward to discussing how we might work more closely with you toward common goals.



In addition to working with brands to address advocacy-related issues, NCG influences progress in advocacy topic areas by:

- Providing NCG co-ops with resources, information and access to products that increase the sustainability of their operations and benefit their communities
- · Advocating on federal policy to Congress and federal agencies
- Funding partner organizations that can amplify our collective impact
- Providing information to consumers on key

Above: Allie Mentzer, NCG's Senior Director of Advocacy & Sustainability, speaking with Senator Boozman regarding imports.



Photo courtesy of National Farm to School Network.

Advocacy in Action: NCG's Partnership with National Farm to School Network

An example of putting our advocacy guidelines into practice

Both National Farm to School Network (NFSN) and NCG are strong advocates for local food and community empowerment, drawing attention to the fact that local food systems are not serving everyone equitably and that racial disparities must be addressed.

During the past three years, we have supported NFSN's work to increase children's access to healthy, local food and improve racial equity in the food system — investing in their Call to Action for 100%

of communities to hold power in a racially just food system by 2025 and sponsoring their monthly live conversations about racial equity in the food system. (You can check out and share NFSN's coffee chat series on Facebook and find archives of past events on NFSN's YouTube channel.)

Our brand partnerships have also made a difference. Working with you, we raised more than \$77,000 for NFSN's equity learning lab at our 2019 Co+nvergence conference — thank you! We look forward to finding more ways to partner with you to make a lasting impact on these and other important issues!

Increasing our Collective Impact: Explore the 2020 Food Co-op Impact Report

NCG's 2020 Food Co-op Impact Report is a comprehensive look at how our members continue to support local communities and economies, create markets for local farmers and producers, make good food affordable for more people, and care for people and the planet.

2020 was a pivotal year that required agility and intention to address the pandemic, climate crisis and especially racial justice — in our society and, more specifically, in the food system. Our impact report highlights the many ways that food co-ops serve and strengthen their communities.

These accomplishments are not possible without you. Co-ops and their customers rely on brands that produce certified organic, fair trade and other natural and sustainable goods. Your participation in our Co+op

Deals and Co+op Basics programs helps our co-ops make healthy food more affordable and accessible. Your partnership with NCG is making a difference!



Products That Make a Difference

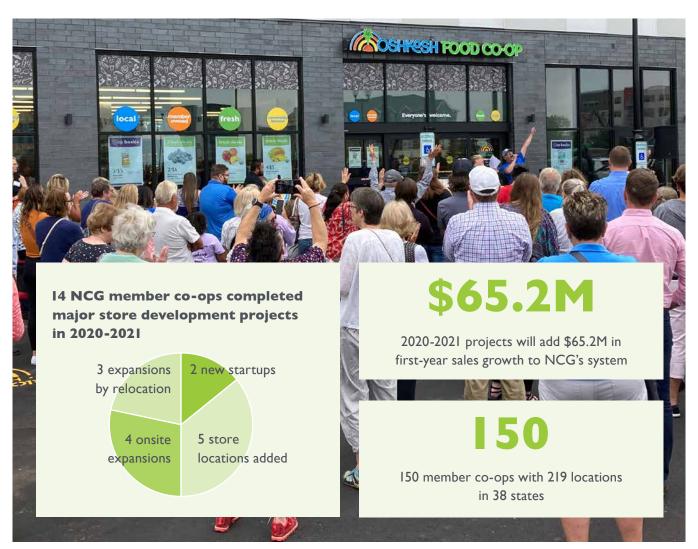
Product Type	NCG Co-ops	Natural Grocery	Conventional
USDA Certified Organic	47%	32%	3%
Fair Trade Certified	6%	3%	1%
Certified B Corp	9%	8%	2%
Cooperatively Produced	7%	4%	1%

Products as a percentage of total sales, by retailer type, based on SPINS natural products sales data.

Co-ops are **Growing**

Despite the pandemic and economic uncertainty over the last two years, many co-ops have forged ahead with ambitious development projects, opening new stores or completing major expansions so that they can better serve their shoppers and their communities.

Our growth means increased retail space and more shoppers — and with it, even more opportunity for you to grow your business with NCG! Here are the highlights of our co-op development projects during 2020 and 2021.



More than 200 community members gathered to celebrate the opening of Oshkosh Food Co-op on July 22, 2021.

Additional location

River Valley Co-op (Easthampton, Mass.)

River Valley Co-op's new Easthampton store, the co-op's second location, carries a solar array on its rooftop and parking lot canopy (pictured here on opening day), with the potential to offset all of the co-op's annual electricity usage. The store's HVAC uses an air-based heat pump system that requires almost no fossil fuels.



Expansion by relocation

Ozark Natural Foods (Fayetteville, Ark.)

Relocating to a vibrant downtown neighborhood near the University of Arkansas enabled Ozark Natural Foods to double its retail footprint to 18,000 square feet, leading to 30% sales growth in the first year.



Onsite expansion

Monadnock Food Co-op (Keene, N.H.)

Since opening in 2013, sales at Monadnock Food Co-op have more than doubled. A recent onsite expansion adds 52% more retail space to better serve its customers. The co-op projects an additional 18% sales growth in the coming year.



New startup co-op

Fredericksburg Food Co-op (Fredericksburg, Va.)

New startup Fredericksburg Food Co-op earned national attention before it opened, winning the "Best of the Best" award at the 2019 Up & Coming Food Co-op Conference! Fredericksburg is the first food co-op in the U.S. to receive a Small Business Administration loan guarantee, due to its strong local financial support.



Mark Your Calendar for Co+nvergence 2022

NCG is excited to announce the return of Co+nvergence! This event will be held August 7-10, 2022, in St. Paul, Minn. Our ever-popular vendor showcase will take place on August 10.

The Co+nvergence conference brings together 350 co-op grocery and wellness buyers and managers, more than 250 trade partners, and NCG staff in a collaborative setting focused on growing our business together.

As in years past, there will be numerous opportunities for brands to sponsor events and interact with grocery and wellness buyers from NCG co-ops across the country. Save the dates and stay tuned for more information in early 2022.



Category Manager Meetings and Updated Samples Policy

NCG's category managers continue to host business meetings with vendors and industry partners online. With a number of our category managers working remotely, we've updated our samples policy. You'll find our newly updated sample instructions nestled in the 2022 NCG Core Sets Submission Information on the home page of Partner Co+nnection. Be sure to adhere to our sample instructions, to ensure category managers receive your samples.



KeHE Update

As of mid-May 2021, all NCG member co-ops nationwide had access to KeHE service under the terms of NCG's secondary distribution agreement with KeHE. 120 locations at 110 co-ops nationally are placing orders with KeHE and more co-ops are signing on each week.

The addition of service from KeHE provides coops with access to items distributed by KeHE but not NCG's other distribution partners. It also provides a backup source for products typically purchased from NCG's primary distributor, UNFI, during this period of volatility in our supply chain. NCG's supplier programs team is working with KeHE to expand this relationship, and over the last month we've seen our weekly orders nearly triple with KeHE!

As NCG members' primary distributor, UNFI is still our preferred program partner for our Co+op Deals and Core Sets programs. We're pleased to announce that we'll add KeHE as a program distributor for Co+op Deals promotions starting early in 2022! We will have more details to share on submitting promotions through KeHE just after the new year. Adding KeHE to Co+op Deals will allow those brands with KeHE distribution to take advantage of Co+op Deals' demonstrated track record of growing volume and retail distribution and generating consumer excitement.

If your brand is distributed at KeHE but not UNFI, we encourage you to be in touch with co-ops that stock your brand and work with them directly to ensure that your products are supported by your promotions in the near term. If you're uncertain which co-ops stock your products, you can access item-level and NCG store-level data for your brand through NCG's partnership with SPINS. By subscribing to the NCG Key Account with SPINS, your brand gains access to data that will confirm distribution for each of your products at individual NCG co-ops, as well as provide insight on distribution and sales opportunities. If you're not yet working with SPINS, we recommend that you engage with them via growth@spins.com to learn more.

NCG co-ops ordering from KeHE are serviced out of one of the following facilities: Bloomington, Ind.; Flower Mound, Texas; Chino, Calif.; Portland, Ore.; Stockton, Calif.; Elkton, Fla.; and North East, Md. Access the NCG National Store List on the home page of Partner Co+nnection to learn which KeHE distribution center serves a given co-op location. We are eager to grow our relationship with KeHE and collaborate with brands and other industry stakeholders in making KeHE an indispensable partner for years to come!

KeHE facilities servicing NCG co-ops

Access the NCG National Store List on the home page of Partner Co+nnection to learn which KeHE distribution center serves a given co-op location.



Get to Know NCG's Category Managers

Our category managers bring a wealth of knowledge to the product segments they're responsible for. We've expanded the number of category managers working to grow your brand's distribution and sales with our co-ops! With a sixth category manager on our team,

we are redistributing responsibility for the categories each person manages. Allow us to introduce you to the newest members of our team, along with the folks that already manage relationships with many of our business partners.

leanette Bloss she/her



CATEGORIES Frozen Foods, Refrigerated Meats, Bread & Baked Goods, Shelf-stable Beverages

JOINED NCG YEARS IN GROCERY RIT March 2019

BASED IN St. Paul, Minn.

HOW TO CONTACT ME jeanette.bloss@ncg.coop

What drew me to co-ops and NCG: I wanted to work with good people to do good things in the food supply chain. Co-ops have tremendous opportunity to leverage their buying power in support of a better food system and I am honored to support that end through my role.

The first thing that I look for in a new product: Readiness. If I'm going to take a shot on a new item, I have to know the brand is ready for all the details that go with that, including post-launch support and planning to build out their new niche in the category.

What my favorite brand reps do best: I like working with brand reps that want to build a collaborative partnership and play the long game to build sustainably over time. We might take some chances together; some strategies might work and some might not, and we learn as much from the ones that don't as the ones that do.

Claudia Crowder she/her



CATEGORIES Main Meal, Baking, Nut Butters, Jams/Jellies, Baby

JOINED NCG YEARS IN GROCERY BIZ September 2021

BASED IN Burke, Va.

HOW TO CONTACT ME claudia.crowder@ncg.coop

What drew me to co-ops and NCG: When I was in college, I had joined the local co-op and it has always held a special place in my heart. I love what co-ops stand for and what they provide to their communities.

The first thing that I look for in a new product: The first thing I always do is flip a product over and read the ingredient panel. I look for clean ingredients and anything I might need to follow up about, such as how the palm oil is sourced.

What my favorite brand reps do best: They come prepared with specific category knowledge that I may not already know, perhaps that they are the only brand doing "x, y, or z." They are also prepared to be great partners in communication and promotional participation.

Sarah Gordon she/her



CATEGORIES

Cold Cereal, Hot Cereal, Wellness Bars. Granola Bars, Fruit Snacks, Non-food

IOINED NCG YEARS IN GROCERY BIZ September 2021 -11

BASED IN Orinda, Calif.

HOW TO CONTACT ME sarah.gordon@ncg.coop

What drew me to co-ops and NCG: Throughout my career I've seen the importance of supporting the local community and am inspired by co-ops' ability to do so. I'm excited to be able to support the co-ops affiliated with NCG in my role.

The first thing that I look for in a new product: A lot of things come together to make a product's first impression, but one thing in particular I look for is differentiation.

What my favorite brand reps do best: My favorite brand reps are communicative, responsive, solutionoriented and approach our conversations with a sense of partnership.

Morgan Organ she/they



Supplements, Body Care, Lifestyle

JOINED NCG YEARS IN GROCERY BIZ **July 2020**

BASED IN St. Paul. Minn.

HOW TO CONTACT ME morgan.organ@ncg.coop

What drew me to co-ops and NCG: My first grocery job was at the mighty Ukiah Natural Foods Co-op in high school! Being able to go back to my roots while embracing the seven Cooperative Principles aligns more with my values.

The first thing that I look for in a new product: Innovation and need state. Is this item or brand truly innovative and is it something that is needed within the category?

What my favorite brand reps do best: Knowledge share with new products and innovation, are organized and resourceful, and understand the importance of co-ops and how they differ from other natural retailers.

Look for more NCG staff profiles in future updates!

Brian Larson he/him



CATEGORIES

Refrigerated Foods Excluding Refrigerated Meats

IOINED NCG YEARS IN GROCERY BIZ September 2014 41

BASED IN St. Paul. Minn.

HOW TO CONTACT ME brian.larson@ncg.coop

What drew me to co-ops and NCG: After spending 34 years in the conventional retail grocery industry, I made a life-changing decision to align my food, environmental and social values with my work. NCG and the co-ops were a natural and perfect fit.

The first thing that I look for in a new product: Taste. Ingredients, packaging and attributes are all critical, but in the end, the product needs to taste good.

What my favorite brand reps do best: They are well organized, responsive and have excellent followthrough. They have an understanding of NCG and member co-ops and are passionate about their brand and product.

Donna Schlaufman she/her



CATEGORIES

Snacks, Packaged Nuts/Fruit/Trail Mix, Candy, Cookies, Crackers, Coffee/ Tea, Bulk

IOINED NCG YEARS IN GROCERY BIZ September 2004 since high school

Carrboro, N.C.

HOW TO CONTACT ME donna.schlaufman@ncg.coop (919) 593.7981

What drew me to co-ops and NCG: I was excited to work in a food store that was consumer owned and provided such an important role in the community. Then drawn to NCG, where I was given the opportunity to support co-ops in a bigger way and collaborate with so many great people both within NCG and the industry.

The first thing that I look for in a new product: Attributes which not only define the quality but that might make the product distinct and satisfy the consumer need.

What my favorite brand reps do best: Knowing when it's time to have a conversation versus lots of back and forth with email. They also realize that it's almost impossible to provide too much product information or updates, so they keep it coming!