



NCG Programs Update

November 2022



Jason Stein
Category Management Director

We are eager to tell you about exciting additions to NCG's Co+op Deals program and to share our latest efforts in our commitment to building a more inclusive economy.

Greetings, Valued NCG Partners!

Upon another season of gratitude, we would like to acknowledge the responsiveness you consistently bring forth to support co-ops in meeting the needs of co-op shoppers; we're thankful for our partnership with you. While retail continues to adapt and change, co-ops continue to harness the power of NCG's programs to deliver value to their local communities. Shoppers are tapping into the value of Co+op Deals and Co+op Basics to help meet their budgets and Core Sets is working to optimize promotional and category performance at our co-ops.

To all the brands and industry partners that participated in Co+nvergence, our grocery and wellness conference in August — at the Vendor Showcase, as workshop presenters and as event sponsors — your presence makes this event like no other in the natural products industry. Co-op buyers appreciate the opportunity to meet face-to-face with you and learn about your products. You've told us this engagement is valuable for you, too! Additionally, your generous contributions to our Co+nvergence fundraising effort enabled NCG to donate \$156,250 to National Black Food and Justice Alliance in support of their self-determining food economies platform. Check out page 10 to relive the excitement of Co+nvergence (or, if you've never attended, to find out what it's all about). On behalf of the nearly 300 co-op staff who attended and everyone at NCG, thank you!

We are eager to tell you about exciting additions to NCG's Co+op Deals program and to share our latest efforts in our commitment to building a more inclusive economy. Our new Co+op Deals Buy One, Get One promotions are helping grow sales for participating brands. Plus, we've got exciting sales growth results to share about the impact of our Core Sets program. Your support for these NCG programs is vital to making great natural and organic foods more affordable to more people who shop at co-ops.

We've taken another step in our Inclusive Trade supplier diversity initiative: highlighting diverse-owned brands and products in the Co+op Deals flyer. Co-ops around the country are committed to fostering inclusive communities. One way we support this is by sharing stories about the companies owned by folks who identify as women, Black, Indigenous, people of color, LGBTQIA+, persons with disabilities, and veterans. See page 5 for the details.

Making good food affordable for all people. Building an inclusive economy. Investing for racial equity and food justice. Co-ops have a vision for our food system that prioritizes people's wellbeing — from the fields to factories, cashiers to cooks and everyone in between.

Since 2020, NCG has invested in the Federation of Southern Cooperatives Land Assistance Fund Food Box program, which connects Black farmers who lost market share during the pandemic to families in their communities without enough to eat. In 2022, our relationship expanded with a summer produce promotion that brought watermelons grown by Ben Burkett — a fourth-generation farmer in Mississippi and a 2020 Cooperative Hall of Fame inductee — into Midwest co-ops. Read more about this growing partnership on page 8.

Making good food affordable for all people. Building an inclusive economy. Investing for racial equity and food justice. Co-ops have a vision for our food system that prioritizes people's wellbeing — from the fields to factories, cashiers to cooks and everyone in between. You are an important piece of this effort! To see how your partnership with NCG and your support for our retail programs is making a difference, be sure to read our [2021 Food Co-op Impact Report](#) (available on Partner Co+nnnection) along with this update.

In cooperation,
Jason Stein
Category Management Director



Together We Can Change Things: 2021 Food Co-op Impact Report

Food co-ops are community-owned grocery stores with the power to drive big change. With partners like you, we are working toward the day when everyone can eat delicious, nutritious food produced and sold in ways that are good for people and restorative to the environment and our climate. We invite you to read our [2021 Food Co-op Impact Report](#) for a better understanding of what co-ops are all about and how your partnership with NCG is making a difference.

Double Your Sales with BOGO Promotions

We are excited to announce that NCG launched Buy One, Get One promotions — better known as BOGOs — in the Co+op Deals flyer in August 2022. The launch follows a successful pilot program in 2021 that demonstrated BOGO items have a big impact on sales!

What kind of impact can a BOGO promotion have? We compared our BOGOs to a typical Co+op Deals promotion of the same items and found that, on average, sales dollars increased between 77% and 112%, and the number of units sold was over two times more.

Co+op Deals BOGOs offer your brand a new opportunity to leverage the power of “free” to generate shopper excitement, build brand loyalty and grow your sales at co-ops. Adding more value and improving price perception among shoppers is especially important in today’s challenging economy.

To help brands achieve maximum success with BOGO promotions, NCG provides co-ops with a comprehensive suite of marketing materials including the Co+op Deals flyer, endcap headers, at-shelf signage and posters — all designed to give BOGOs a bold presence in stores, build customer awareness and drive sales. NCG also includes BOGOs when advertising Co+op Deals through Facebook.



Marketing materials give BOGO promotions a bold presence in stores, like this endcap at Viroqua Co+op in Viroqua, Wis.



Interested in driving sales through BOGO promotions?

BOGOs will be featured at least once per quarter in 2023 and ad space is limited! Contact your NCG category manager to develop your BOGO promotional plan for 2023.

Supporting Diverse Brands: Inclusive Trade in Co+op Deals

Consumers are eager to know more about the companies that create the products they buy. Beyond organic and fair trade certification, the stories behind the brands are an increasingly important factor in purchasing decisions. That influence is especially relevant in the natural products industry, and for co-op customers who often “shop their values.”

NCG is bringing more visibility to certified diverse-owned companies through our new “Inclusive Trade” designation, an initiative that will expand brand awareness and educate shoppers about diverse-owned brands — those at least 51% owned, operated and

controlled by people who identify as women, Black, Indigenous, people of color, LGBTQIA+, persons with disabilities, or veterans — on co-op shelves.

The Inclusive Trade designation can increase sales by engaging shoppers who want to support diverse-owned brands, helping them discover the unique stories of the people behind the products. And because a growing number of co-ops are seeking to increase the number of diverse brands represented on their shelves, Inclusive Trade can also help companies gain wider distribution at retail.

Continued on next page.



supporting
diverse brands

INCLUSIVE TRADE

Co-ops are committed to creating a more just society by cultivating partnerships with businesses owned by people who identify as women, Black, Indigenous, people of color (POC), LGBTQIA+, persons with disabilities and veterans. Our vendors reflect our community, and we celebrate the strength that comes from diversity! Learn a little about some of our Inclusive Trade brand partners, and find Inclusive Trade products throughout the co-op.



Inclusive Trade Partners shown top left to right:
GT Kombucha, Purely Elizabeth, Deep Indian Kitchen, Alo

Sample of Inclusive Trade marketing content in the October Co+op Deals flyer.

A new “Inclusive Trade” mark is being added to applicable products in the Co+op Deals flyer and is supported through similar designation on promotional pricing signage. NCG co-ops also have access to vendor profile signs, posters and social media resources to use in promoting diverse-owned brands. We’ve added an [Inclusive Trade vendor partner page](#) on [grocery.coop](#), our consumer-facing website, which will continue to expand as the number of diverse brands we work with grows.

Currently, NCG works with our distribution partners UNFI and KeHE to generate the list of brands that qualify to receive the “Inclusive Trade” designation. We rely on their classification of suppliers, based on third-party supplier diversity certifications. All brands on the UNFI or KeHE diverse supplier lists will be highlighted in Co+op Deals flyers.

As part of NCG’s commitment to increasing supplier diversity, our ultimate goal is to eventually identify all of the diverse-owned suppliers our co-ops are working with, through a vendor registration system we are developing — one feature of which will enable brands to provide information confirming their Inclusive Trade status. Watch future updates for more information on vendor registration.

INCLUSIVE TRADE PARTNER

Radius is a woman-owned company that looked at toothbrushes and knew there had to be a better way. Using recycled materials, they engineered a toothbrush that cleans and feels better, with a focus on sustainability.

6.99

Radius
Source Toothbrush
each, selected varieties

INCLUSIVE TRADE PARTNER

Alaffia is a Black-owned company on a mission to invest in a more equitable future. Alaffia's projects enable Togolese communities to provide their skills and knowledge to the rest of the world.

8.99

Alaffia
Everyday Shea Body Lotion
32 fl.oz., selected varieties

inclusive trade

A new “Inclusive Trade” mark is being added to applicable products in the Co+op Deals flyer in the various ad sizes, as well as custom copy.



Is your brand a diverse-owned business?

If your brand identifies as diverse-owned and is distributed by UNFI or KeHE, be sure to notify them to confirm they have accurate information. You'll open the opportunity for NCG co-ops to promote your brand as part of our Inclusive Trade initiative and help us build a more complete picture of overall supplier diversity.

If your diverse brand is not distributed by UNFI or KeHE, please contact NCG's Supplier Relationship Development Manager [Heidi Traore](#).

Core Sets Sales Growth is Four Times Faster than Natural Channel

NCG's Core Sets program performance data for the most recent 12 months shows that sales growth for categories reviewed was, on average, 2.7 times faster after the review and reset. Compared to the Natural Channel over the same period, that's nearly four times faster sales growth in the Core Sets categories!

Additionally, new items launched through Core Sets grow twice as fast at NCG co-ops than those same items do in the Natural Channel.

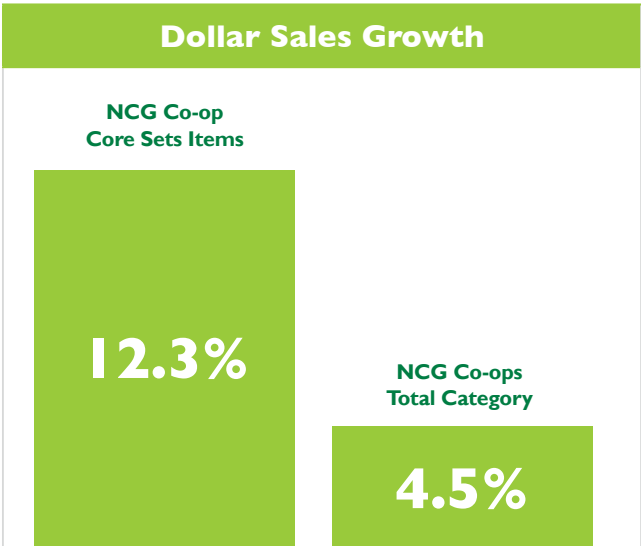
Distribution increased significantly with the Core Sets program, too. On average, brands participating in Core Sets had a 25% increase in distribution versus their placement before the reset.

Since the Core Sets program launched in April 2021, we've reviewed and reset 36 categories, with additional categories going through new item only review. In 2022, the Core Sets program expanded beyond grocery, refrigerated and frozen to include four wellness categories.

We appreciate our brand partners who are committed to working with us to increase sales by meeting the needs of co-ops and co-ops shoppers through enhanced promotional plans and Core Sets Cost Supports pricing investments. Together, we make a difference!

Driving Category Growth

Items included in Core Sets assortments experienced 2.7 times faster dollar sales growth than the total category:



Graph reflects 22 categories reviewed between April 2021 and April 2022.



Cooperative Impact: Connecting Black Farmers to Co-op Markets

Every day, NCG is working with industry partners like you to deliver value for co-op shoppers, create market opportunities for farmers and producers, and make a positive impact in our communities.

Through a first-of-its-kind venture between cooperative farmers, distributors and grocery retailers, NCG and the Federation of Southern Cooperatives coordinated a promotion this past summer to bring watermelons grown by their member farmers to co-ops across the Upper Midwest.

The Federation is a nonprofit cooperative association of Black farmers, landowners and cooperatives located in several states across the South and Southeastern

U.S. Their mission is “to be a catalyst for the development of self-supporting communities through cooperative economic development, land retention and advocacy.” NCG initially partnered with the Federation in 2020 by investing in their Food Box Program, which connected Black farmers who had lost a marketplace for selling their produce during the pandemic with families facing food insecurity.

NCG continues to look for new opportunities and build partnerships that increase supply chain diversity, expand access to new markets, and contribute to a more racially just food system.

Continued on next page.



Ben Burkett is a fourth-generation farmer in Petal, Miss., a member of the Federation of Southern Cooperatives, and a 2020 Cooperative Hall of Fame inductee. Ben is the grower whose watermelons were sold at NCG co-ops during a summer 2022 promotion.

Less than 1% of fresh produce consumed in the U.S. is grown by Black farmers. A promotion with NCG co-ops had the potential for Federation growers to achieve greater market access beyond their local communities and be the start of a long-standing relationship that brings high-quality produce to co-ops across the country. In the spirit of cooperative Principle 6, “cooperation among cooperatives,” NCG and the Federation forged ahead together.

We worked with Co-op Partners Warehouse (or CPW), a cooperatively owned distributor supplying the Midwest with organic produce and local foods, to receive the Federation’s watermelon crop and deliver it to participating co-ops in the region. And the response from those co-ops was overwhelming.

It took only 72 hours for the 27 store locations to pull through the entire shipment of watermelon at CPW — 46 bins containing more than 2,000 melons, over 32,000 pounds of produce. There was certainly unmet demand during the promotion, too, because the shipment sold out so quickly.

Up and down the supply chain, co-ops are making an impact! It’s exciting to see the positive results we can have when we work together to meet the needs of co-op shoppers. NCG continues to look for new opportunities and build partnerships that increase supply chain diversity, expand access to new markets, and contribute to a more racially just food system.



Melons grown by Federation of Southern Cooperatives farmers on display at Seward Community Co-op – Friendship Store in Minneapolis, Minn.



In The News: Co-op Grocery Stores Expand Their Mission to Equity and Food Justice

Civil Eats recently published an article about the growth of Black-led food co-ops, efforts to address community food sovereignty, and a growing focus in the broader co-op movement (including at NCG co-ops) on racial equity and food justice. [Read the article.](#)

Co+nvergence 2022 Highlights

If you've attended Co+nvergence, you know it's an event unlike any other industry show! What makes it unique is the authentic engagement that natural products brands, industry partners and co-op staff enjoy with one another during the Vendor Showcase. Conversations with retail buyers on the show floor provide valuable insights about your products and promotions directly from the people who understand co-op shoppers the best.

280 brands and industry partners participated in the Vendor Showcase.



Thank you to all who participated in Co+nvergence 2022 for making it such a richly rewarding experience. We'll see you in 2023!

290 co-op retailers and NCG staff attended Co+nvergence.



Brand and broker partners contributed \$31,250 in support of our event beneficiary. [Learn more about National Black Food and Justice Alliance.](#)

Dr. Jasmine Ratliff, co-executive director of National Black Food and Justice Alliance, provided the opening keynote.

Chef Sean Sherman, founder and CEO of The Sioux Chef, gave the closing keynote, "The (R)evolution of Indigenous Food Systems of North America." [Watch a similar presentation.](#)

4,241 pounds of food were donated to a local nonprofit after the Vendor Showcase.



Coming soon: watch your email for 2023 Co+nvergence dates.

Get to Know NCG Staff

Allison Hermes she/her



POSITION/TITLE

Promotions Programs
Senior Manager

YEARS IN THE GROCERY BUSINESS

10

BASED IN

Minneapolis, Minn.

HOW TO CONTACT ME

allison.hermes@ncg.coop

What drew me to co-ops and NCG:

Prior to working at NCG, I worked at Organic Valley for several years and loved telling their story. At NCG I have the privilege of amplifying the voices of many outstanding brands.

What my favorite brand reps do best:

Try to find a way to innovate within the parameters of the NCG promotions programs.

What the most successful brands

get right: Pay attention to details, be responsive and collaborative.

Soon-Young Oh she/her



POSITION/TITLE

Marketing Promotions
Program Specialist

YEARS IN THE GROCERY BUSINESS

3

BASED IN

Chicago, Ill.

HOW TO CONTACT ME

soon-young.oh@ncg.coop

What drew me to co-ops and NCG:

I've been a faithful shopper of co-ops since 2002 with a passion toward delicious and nutritious food for all.

What my favorite brand reps do best:

Communicate on time and approach our work together for Co+op Deals as a team.

What the most successful brands

get right: Submitting catchy Co+op Deals copy that is straightforward and to the point, and highlights the products in the ad in a way that gets the shopper interested or excited to try it or buy it again.



Get to Know NCG Staff

Jason Stein he/him



POSITION/TITLE

Category Management
Director

YEARS IN THE GROCERY BUSINESS

21

BASED IN

Saint Paul, Minn.

HOW TO CONTACT ME

jason.stein@ncg.coop

What drew me to co-ops and NCG:

I've admired co-ops most of my career as the heart and soul of the natural foods world, and more directly as beacons within the communities they serve. From all the great co-ops here in the Twin Cities to Wheatsville in Austin, Texas, I loved going to my local co-ops early in my career to see what was cool, new and exciting because co-ops always had the latest and greatest products, and especially those from smaller local producers.

What my favorite brand reps do best:

They recognize that we have a true partnership, that both of us benefit from the efforts we put into building their brand in NCG member co-ops, and center the relationship in that way.

What the most successful brands

get right: First and foremost, they have a reason for being. For the brands whose products are labors of love, their passion is infectious. From customers to retail buyers/category managers, people are drawn to the brands and their products. Thoughtful, focused growth is also required for any brand to be successful long-term.

Heidi Traore she/her



POSITION/TITLE

Supplier Relationship
Development Manager

YEARS IN THE GROCERY BUSINESS

34

BASED IN

Minneapolis, Minn.

HOW TO CONTACT ME

heidi.traore@ncg.coop

What drew me to co-ops and NCG:

My first visit to a food co-op was in the 1980s. Having grown up in a town of conventional grocery stores, the idea that a group of people owned the grocery store, and the funky products on the shelf, blew my mind. From that point, I knew I wanted to be involved with co-ops. I got my first job at a retail food co-op in 1988.

What my favorite brand reps do best:

Take the time to get to know co-ops, NCG and NCG programs. Follow through and deliver on what they promise. Are passionate about their work and are excited to share information about the brands they represent. Collaborate to seek creative solutions to challenges we encounter together.

What the most successful brands

get right: Bring something truly unique to the shopper. Understand how to partner with a retailer to work the components of grocery (product, place, price, promotion) to appeal to the consumer and drive volume off the shelf. The icing on the cake happens when brands deepen their relationship with the values- (not money-) driven shopper by showcasing their mission and values.

Other ways to connect:

[LinkedIn](#); 612.670.8768

Co-op Expansions Are Nourishing Growth

Additional location



Erie Food Co-op (Erie, Pa.)

Erie Food Co-op's second store came about through a neighborhood revitalization project in downtown Erie. The co-op fills the need for a grocery store in an underserved community where the average annual household income is less than \$11,000. This new downtown store adds 3,000 square feet to the co-op's retail operations.

Expansion by relocation



PCC Community Markets (Kirkland, Wash.)

At 19,000 square feet, PCC's new Kirkland store is 30% larger than its prior location. This is the co-op's fifth store to pursue the [Living Building Challenge](#) certification by the International Living Future Institute, the world's most rigorous green building standard.

Expansion by relocation



Spiral Food Co-op (Hastings, Minn.)

Spiral Food Co-op is projecting sales will double after relocating in the same building to a larger space with better visibility. The move gives the co-op twice the retail footprint at almost 4,000 square feet and adds a deli with seating.

Onsite expansion



Ypsilanti Food Co-op (Ypsilanti, Mich.)

By renovating within its historic building, Ypsilanti Food Co-op's space increased more than 36% to 6,700 square feet. Café seating and an expanded prepared food section draw more customer traffic into the store for grab-and-go items, artisan baked goods and specialty cheese.

About NCG

National Co+op Grocers is a business services cooperative for 151 socially responsible, independently operated, community-owned grocery stores with more than 220 locations in 38 states and nearly \$2.4 billion in annual sales. NCG provides the capacity of a chain to strengthen purchasing power and support healthy operations that deliver value to co-op owners and customers everywhere.

NCG also helps unite and expand the voice of food co-ops to advocate for issues that are important to co-op owners, shoppers and communities. Together we are working to build a sustainable food system, ensure the fair treatment of people, protect and preserve a healthy environment and promote the cooperative business model.

Vendors and suppliers have an opportunity to work with NCG to create efficiencies and drive growth by meeting the needs of our co-ops and their shoppers. Co-op shoppers are some of the most committed health and wellness consumers in the country. NCG is not funded by Wall Street or private equity; we are owned by the co-ops we exist to serve. And because co-ops own us, we are deeply invested in their success. Visit www.ncg.coop to learn more about NCG and www.grocery.coop to learn more about food co-ops.

