



Lovettsville Co-op Market, Lovettsville, Va.

NCG Programs Update

December 2023



Jason Stein
Category Management Director

We work hard to ensure we are building retail programs that make an impact. An investment in NCG programs is an investment in your brand's growth at NCG co-ops.

Greetings, NCG Partners!

'Tis the season when we take stock of the year and give thanks, and here at NCG, we are thankful that we get to work hand in hand with brand partners and co-ops to grow our business together. As 2023 comes to a close, we are pleased to update you on our work and report on the impact that your investments in NCG's programs are having on sales growth at food co-ops.

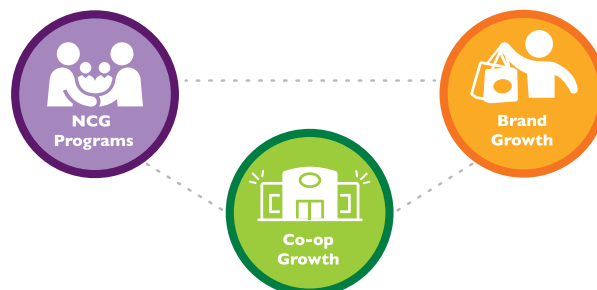
Co-ops' sales and customer counts have been on an upward trend since the beginning of the year, and aggregate sales growth of our 230 stores exceeds that of U.S. retail food store growth.

Our brand partners' participation in NCG's programs is also growing. In this update, we check in with Lakewood, Maya Kaimal, Petit Pot and Siete — brands that are tapping into the power of NCG's Core Sets category management program to gain efficiencies by strengthening distribution, enabling them to put priority items in more stores and more quickly run effective promotions. We'll also share the effect that boosting the size of your Co+op Deals flyer ads can have on incremental sales growth.

Whether you are seeking distribution or trying to build volume, our programs can support your business goals. We've included tips for drawing upon the expertise of NCG category managers to tailor your strategy and program investments to your brand's objectives.

We work hard to ensure we are building retail programs that make an impact. An investment in NCG programs is an investment in your brand's growth at NCG co-ops. Our programs are designed to stimulate growth for co-ops — and when co-ops grow, the brands on their shelves grow. That's the cycle we all love to see!

We are proud to work with you to bring products to food co-op shoppers that promote a regenerative and resilient food system, an inclusive economy, the fair treatment of people and a healthy environment. We look forward to continuing to build our business together in 2024 and beyond.



Choose Co+op Deals Premium Ads to Boost Visibility and Sales

In today's dynamic retail landscape, making your brand stand out is the key to success! Our Co+op Deals premium ads offer you the opportunity to engage with potential customers on a deeper level. Co-op shoppers love to learn about the products they buy, as well as the story behind the brands and how they align with their values.

Premium ads — available in sizes 2, 4 and 6 times larger than a single-space ad — can help you make a lasting impression among shoppers and, of course, boost sales. On average, Co+op Deals premium ads generate over 80% more dollars per ad than a single-space ad.



Learn More About Premium Ads

Ask your category manager how premium flyer ads can help you put the spotlight on your next Co+op Deals promotion.



Introducing the Co+op Deals App

New in January 2024! We're launching a Co+op Deals app, bringing digital deals to co-op shoppers and expanding the reach of your promotions.

The mobile app is seamlessly integrated with a desktop platform, putting your brand, products and deals in front of more shoppers with these key features:

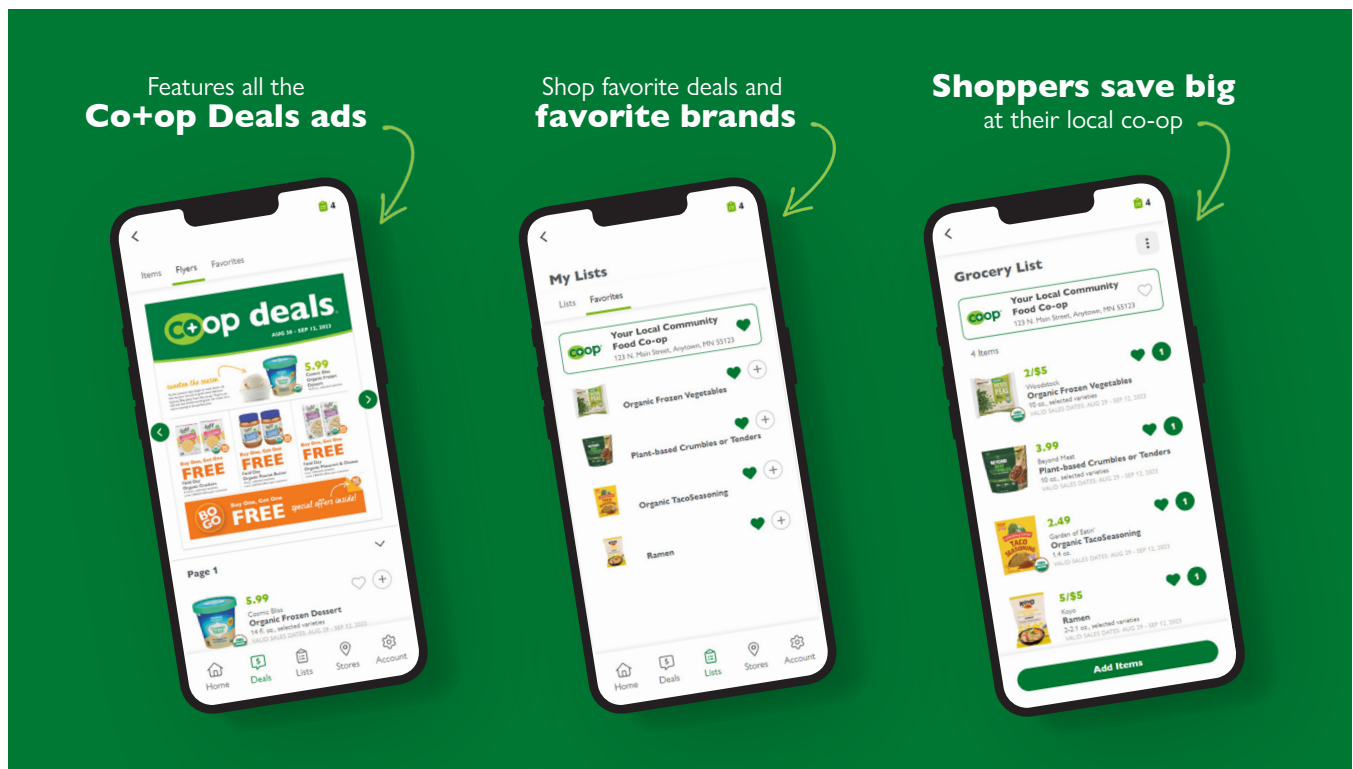
- Access to Co+op Deals flyer promotions in flyer format or item list view
- Search for and filter deals by brand, product name or category
- Tag products as “favorites”
- Create and share shopping lists

Look for our launch announcement in the January 2024 [Co+op Deals flyers](#) along with social media ads on Co+op [Facebook](#) and [Instagram](#) accounts.

To incentivize consumers, we're offering a free gift that includes brand samples and coupons along with an NCG coupon for \$10 toward groceries to the first 3,000 shoppers to download the new app. We plan to further develop this incentive strategy and look forward to bringing you new opportunities to get your products in the hands of co-op shoppers soon!

Co-ops will be building shopper awareness and excitement for the Co+op Deals app in-store, on their websites and via social channels. The Co+op Deals mobile app is free to download and use, and available from Apple's App Store and Google Play.

We're excited for the potential the mobile app has to drive greater brand awareness and, ultimately, increase your sales growth through Co+op Deals!



Streamline Your Selling and Promotions with Core Sets

NCG's Core Sets program offers brands a comprehensive category management system, aligning our retail food co-ops around proven product assortments and data-driven merchandising and pricing strategies, setting the stage for more strategic and effective promotional planning.

We'd like to thank a few of our brand partners — Patrick Cordova, Director of Sales, West & Southwest at Lakewood; Matt Cacho, Senior Director of Sales at Maya Kaimal; Pierre Jamet, former Chief Sales Officer at Petit Pot; and Shannon Jensen, Senior Director of Sales, Natural at Siete — for telling us about their experiences with Core Sets. They shared how the program has streamlined the way their company does business with co-ops and is producing excellent results.



Why are NCG co-ops an important retail partner for your brand?

Shannon Jensen, Siete: NCG is where our brand began! Wheatsville Co-op in Austin, Texas, first took a chance on our almond flour tortillas, and the rest is history. We believe that NCG co-ops are uniquely positioned to welcome and encourage new CPG entrepreneurs to share their ideas and solutions with the world.

Pierre Jamet, Petit Pot: A higher sense of partnership than most other “chains.” [Co-ops are a] great community of stores with members who are willing to try new brands and products.

Patrick Cordova, Lakewood: As an organic brand, NCG co-ops align with our values and focus on quality.

What was your team's approach to working with NCG and co-ops prior to Core Sets?

Patrick Cordova, Lakewood: We spent a lot of time working with our brokers on a store-by-store basis. We also focused on promotions and ad spend, hoping to gain new placements.

Shannon Jensen, Siete: We partnered with our broker sales teams to sell our assortment store-by-store. As our portfolio grew, this became a time-consuming task and we desired an efficient way to share our new products with NCG shoppers.

What were the major pain points of your process prior to using Core Sets, and how has Core Sets alleviated them?

Matt Cacho, Maya Kaimal: The diversity and geographic breadth of retailers/sets made assortment optimization challenging. Now we know our best-selling items will be in more stores and that we'll be able to run more national promotions with increased ACV! [ACV is all commodity volume, an indicator of retail distribution.]

Pierre Jamet, Petit Pot: No ability to fast track and “force” distribution to build a high enough ACV to run promotions. It was also difficult to create a consistent set across all NCG stores. [Core Sets] helped ensure ample distribution right off the bat.

Shannon Jensen, Siete: The Core Sets program allows us to prioritize items and reach a broad set of stores at the category reset date. This opens and generates immediate and sustained demand pulling through the DCs [distribution centers].

Patrick Cordova, Lakewood: Stores seem to be more trusting of Core Sets items. When needed, this allows for easier store-by-store sell in. Also seeing added benefit on promotions as more stores are invested.

How has Core Sets helped your team or company achieve its objectives?

Matt Cacho, Maya Kaimal: Distribution optimization — which in turn helps us run more effective promotions and sell faster.

Patrick Cordova, Lakewood: We have been able to promote more items than ever before, a net of almost 600 new placements in the last 12 months.

Shannon Jensen, Siete: Core Sets lays the foundation for a robust and stable distribution network, which in turn enables us to invest in marketing and promotional levers to drive consistent growth.

What has been the most beneficial thing your company has gained by using Core Sets?

Pierre Jamet, Petit Pot: We have done five or six Core Sets in three years. It has allowed us to more than triple our sales during that time.

Patrick Cordova, Lakewood: We have seen over a 10% sales increase since joining Core Sets.

Shannon Jensen, Siete: Core Sets have provided an efficient way to bring all of our beloved items to the broad scope of NCG co-ops!



Learn More About Core Sets

Connect with your NCG category manager to learn more about how Core Sets can benefit your business.



NCG Category Managers Can Help Take Your Business to the Next Level

Your products are on the shelves at co-op grocery stores — what's next? By partnering with NCG, your category manager can help you improve your sales and promotional strategy, optimize your budget and program participation, and grow sales! Collaborating with our category managers offers three key advantages:

Data-Driven Insights

NCG category managers are experts in their categories and can provide an array of actionable information, based on consumer and market trends, as well as sales data and analysis, to ensure that promotions are relevant and appealing. “Our category manager is a wealth of information as it pertains to our brand performance,” says Megan Ducate, Health-Ade’s VP of Sales – Natural, Canada and Mexico. “He also helps us understand NCG’s goals and strategies, so we are better able to attain our shared goals together.”

Strategic Promotional Planning

Your category manager can help you develop a strategic promotional plan that matches your budget and brand goals with market trends and consumer demand for

Co+Lab is NCG's annual promotions planning event between existing partner brands and their NCG category managers.

the greatest impact on sales. “We utilized Co+Lab planning and received an overview of the programs along with current and past trends,” explains Travis

Brockavich, Senior Director of Sales – Natural at Frontier Co-op, whose brands are Aura Cacia, Frontier and Simply Organic. “This in turn helps guide our final promotion planning session. As a result, we created plans with clear goals and focus items to help drive our business forward at NCG. We have worked to establish bigger [Co+op Deals flyer] ad spaces to help increase visibility to new item innovation and also the large suite of items we have available in member stores.”

Optimized Program Participation

Engaging with your NCG category manager can help you hone your company’s strategy and take full advantage

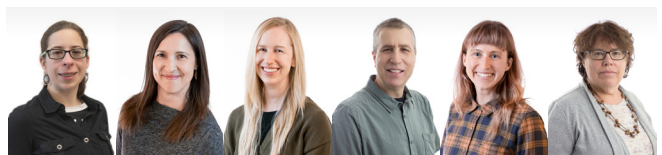
of our promotional vehicles. “We’ve optimized promo timing, discount depth and ad structure based on the insights that were shared,” Ducate says. “This has helped increase our ROI and provide the best programming for NCG customers. By participating in NCG’s Core Sets program, Health-Ade saw an increase in average number of items, ACV and overall dollar sales,” Ducate explains, adding, “This program is critical to our growth.”

“Our category manager is a wealth of information as it pertains to our brand performance.”

Megan Ducate, Health-Ade VP of Sales – Natural, Canada and Mexico

Ongoing collaboration between brand and category manager is the key to building a successful partnership and maximizing your promotional plans. Your category manager acts as the conduit to the more than 200 co-op grocery stores nationwide that are implementing NCG’s programs. The more they know about your business, new product launches and changes, such as disruptions in product availability or planned promotions, the better they can help you make the most of your NCG program activity.

“NCG provides one touch point by category that allows us to disseminate information throughout the member stores,” Brockavich says. “This is an incredibly efficient process when you have hundreds of stores spread throughout the nation.”



Connect with Your Category Manager About NCG Programs

Be sure to connect with your category manager to explore NCG program options and keep them informed about your business plans!

Co-ops are Growing to Serve Customers and Communities Better

NCG recently welcomed three new members: one start-up co-op and two established co-ops. Four more co-ops recently added or expanded locations. Now with 160 member co-ops operating over 230 retail locations in 39 states and annual sales of over \$2.5 billion, our “virtual” chain continues to grow and offer you more opportunities to grow your business.

160
member
co-ops

more than
230
locations

New Member



Detroit People's Food Co-op
(Detroit, Mich.)
Startup opening 2024



New Member



Good Tern Co-op
(Rockland, Maine)
Open since 1980



New Member



Purple Porch Food Co-op
(South Bend, Ind.)
Open since 2009



Additional Location



BriarPatch Food Co-op
(Auburn, Calif.)

Now in its 47th year, BriarPatch has opened a new 12,500-square-foot store in Auburn, northeast of Sacramento. Amid aisles of natural and local grocery items, the co-op boasts expanded wine, craft brew and cocktail selections, gourmet cheese, and a 99%+ organic produce department, as well as an in-store demo area, full deli and communal gathering spaces.

Expansion by Relocation



Daily Groceries Co-op
(Athens, Ga.)

Daily Groceries embraced the opportunity to grow at a larger location while remaining near the University of Georgia campus. In summer 2023, the co-op moved into a unique carousel-shaped building (formerly a pharmacy) less than a mile from its previous store.

New Startup Co-op



Lovettsville Co-op Market
(Lovettsville, Va.)

This new co-op opened for business on Nov. 1, 2023. The store occupies 7,450 square feet in a new building at a recently developed shopping district in the heart of Lovettsville. The co-op is projecting first-year sales of \$4.2 million.

Expansion by Relocation

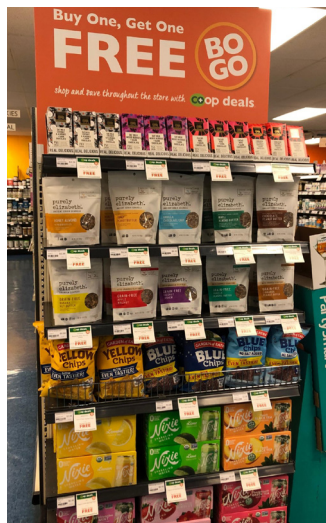


Menomonie Market Food Co-op
(Eau Claire, Wisc.)

The co-op's new location marks the return of the first full-service grocery store in downtown Eau Claire in 40 years. With 8,000 square feet of retail space and 16,000 total square feet — a massive increase from the former 1,300-square-foot store — the co-op projects \$6.5 million in annual sales. The new store's state-of-the-art refrigeration cases utilize 17% less energy.

Programs at Work in NCG Member Co-ops

Co-ops are dedicated to growing sales utilizing their NCG retail programs to feature attractive solutions that meet the needs of shoppers. Take a look at Co+op Deals promotions in action!



Endcap and floor displays pictured top left to bottom right: First Alternative Co-op, People's Food Co-op – Rochester, Just Food Co-op, Erie Food Co-op, Oryana Community Co-op.

About NCG

National Co+op Grocers is a business services cooperative for 160 socially responsible, independently operated, community-owned grocery co-ops with over 230 stores in 39 states and \$2.5 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 further our mission and shared values 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.

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.

