

NCG Programs Update

July 2023



Greetings, NCG Partners!

Our national grocery and wellness conference, Co+nvergence, is happening in August and we're proud to announce North American Traditional Indigenous Food Systems (NATIFS) as our 2023 Co+nvergence beneficiary partner. Founded by Chef Sean Sherman, NATIFS is dedicated to developing solutions for the economic and health crises affecting Native communities by re-establishing Native foodways. Learn more about NĀTIFS and find out how you can join us in contributing to Sean's work on page 3.

Your participation in NCG's Co+op Deals and Core Sets category management programs continues to drive our mutual success. We've made some important program updates that will simplify how you do business with NCG — read about the changes on page 4.

NCG's 158 community-owned cooperatives operate nearly 230 stores nationwide, with new locations, expansions and start-up co-ops in the works this year. Our continued collaboration is essential to our shared success and, on behalf of our member co-ops, their millions of co-op shoppers and their local communities, we thank you for your partnership.

NĀTIFS is our 2023 Co+nvergence **Beneficiary**

We are excited to announce that North American Traditional Indigenous Food Systems (NĀTIFS) will be NCG's 2023 Co+nvergence beneficiary. NĀTIFS was founded by Chef Sean Sherman, the James Beard and Julia Child award-winning co-founder of The Sioux Chef and the restaurant Owamni. Dedicated to addressing the economic and health crises affecting Native communities by re-establishing Native foodways, NĀTIFS imagines a North American food system that generates wealth and improves health in Native communities through food-related enterprises.

NĀTIFS has opened the Indigenous Food Lab, a professional Indigenous kitchen and training center covering all aspects of food service: research and development; Indigenous food identification, gathering, cultivation and preparation; and all components of starting and running a successful culinary business based around Native traditions and Indigenous foods.

Reclamation of ancestral education is a critical part of reversing the damage of colonialism and forced assimilation, and food is at the heart of this reclamation. NĀTIFS will drive sustainable economic empowerment and prosperity into tribal areas through a reimaged North American food system that also addresses the health impacts of injustice.

NCG selects a mission-driven organization as the beneficiary of a collaborative fundraising effort during each Co+nvergence, our annual grocery and wellness conference and tradeshow. Recent partners include National Black Food & Justice Alliance and National Farm to School Network.

Co-ops have a special incentive to take advantage of brands' Co+nvergence show deals, as each case of product ordered contributes toward the amount donated to the beneficiary. NCG as an organization makes a donation, too, and we encourage brands and industry partners to join us in this important fundraising effort.





Interested in Supporting NATIFS?

If you are interested in learning how your company can support NĀTIFS' mission of promoting Indigenous foodways education and facilitating Indigenous food access at Co+nvergence, please contact NCG's Category Management Director <u>lason Stein</u>.

Program Updates and Opportunities

NCG Opening Order Discount Program: Automatic Enrollment Begins in July 2023

For several years, NCG has offered a New Store Opening Order Program — a "one-stop solution" for expanding co-ops to make sure that new stores are set with the best products from our brand partners from the first day they open to shoppers. Though all brands participating in Co+op Deals and NCG's Core Sets program are required to participate in the program, doing so required submission of an additional contract proposal.

We've been working to simplify the process and, starting with July 2023 program proposals, brand partners will no longer need to complete a separate contract proposal to meet the New Store Opening Order Program requirement. Instead, brands will be automatically enrolled in the program upon confirmation of a Core Sets or Co+op Deals contract. NCG will supply our authorized distributors with a list of the brands with confirmed contracts for the preceding 12 months each quarter. When a new store is opened subject to these requirements, distributed brands will see a chargeback from the distributor in line with this participation requirement.

Additional details about the New Store Opening Order Program and contract requirements are included in the "2024 1st Half Vendor Programs Contract Terms and Instructions" posted in the Resources section of Partner Co+nnection.

Direct Billing Change: Updated Contact Information Needed

We're also simplifying our billing process! To date, a majority of the fees for participating in NCG programs have been billed through UNFI as a deduction. This summer, we will start billing all brand partners directly for program participation just as we do currently for rebates. Past-due invoices, however, will continue to be processed through UNFI deductions. This change takes effect starting in July for participation in our programs for August 2023 and beyond.

This change requires all participating brands to include a current billing contact in their "Company" profile in Partner Co+nnection. Starting with contracts submitted for August 2023, we are asking that you include a minimum of two email addresses in every contract proposal.

We need your help to ensure a smooth transition to direct billing and to avoid any fees associated with past due invoices. We're asking that each brand verify that we're sending invoices to the correct contacts by logging into Partner Co+nnection in the next few weeks and making sure brand billing contacts are up to date.

Additional details about contract requirements for billing and payments are included in the "2024 1st Half Vendor Programs Contract Terms and Instructions" document on Partner Co+nnection.

Co+op Deals and Core Sets: Supplier **Registration Needed**

Earlier this year, NCG launched a supplier registration system for active brand partners. If your brand is currently participating in Co+op Deals and Core Sets, we need you to register in this new system.

Information gathered through registration is intended to help co-ops identify vendors for ongoing and emerging business needs, as well as find details about diverse ownership, B Corp certification and co-op supply chain that can be communicated to shoppers through our marketing and promotions programs.

If your company hasn't yet registered, log into Partner <u>Co+nnection</u> and click on "Inclusive Trade + Supplier Registration" under Resources, then click on Register Here. Not sure if your company has registered? Contact NCG's Supplier Relationship Development Manager Heidi Traore.

2022 Food Co-op Impact Report

A Safer, Just and Inclusive Supply Chain



2022 Food Co-op Impact Report

We're pleased to share our 2022 Food Co-op Impact Report, an annual report on how the 158 communityowned food co-ops that make up NCG work individually and collectively to build a more resilient, just and regenerative food system.

Because of your investments in NCG's Co+op Deals and Co+op Basics programs, co-ops are making food more affordable to their shoppers and deepening support for their communities.

Co-ops are committed to promoting products that share our vision of a food system that upholds the dignity of workers and prioritizes their wellbeing. Here are a few key areas:

Certified Organic: In 2022, 38% of food co-ops' combined annual \$2.5 billion in sales came from Certified Organic products. Organic agriculture benefits worker health, the climate and eaters across the entire food chain.

B Corp: As a <u>Certified B Corporation</u>, NCG is a leader in the global movement for an inclusive, equitable and regenerative economy. All B Corporations complete a rigorous social and environmental assessment. At NCG co-ops, B Corp products accounted for 8% of total sales last year.

Cooperatively Produced: Cooperatives are known for their democratic governance and can be led by workers, producers or consumers. All cooperatives follow international principles that guide holistic decision making. In 2022, goods produced by cooperatives made up 6% of NCG's total sales double that of other natural grocers.

Fair Trade Certified: Fair Trade certification verifies that producers are paid a livable wage with safe working conditions and prohibits child labor. 5% of NCG co-op sales came from Fair Trade certified products last year.

Inclusive Trade: NCG's <u>Inclusive Trade</u> program promotes products from companies certified to be at least 51% owned, operated and controlled by women, people of color, LGBTQIA+ individuals, veterans or people who are disabled. In 2022, this program featured 14 brands in Co+op Deals, generating \$1.4 million in promotional sales.



Learn More about Inclusive Trade

Through September of this year, we plan to feature an additional 34 Inclusive Trade partners in Co+op Deals. To learn more about Inclusive Trade and how to get involved, contact NCG's Supplier Relationship Development Manager Heidi Traore.



Welcome NCG's Newest **Member Co-ops**



Eight more co-ops have recently joined NCG's network of community-owned grocery stores. They include well-established retail locations and brand-new startups with plans to open their doors in 2023. Adding a projected \$19 million in annual sales and more than 40,000 retail square feet to the system, these new stores give you more opportunity to reach co-op shoppers and grow your business with NCG.

I. Food Shed Co-op

Woodstock, III. opening in 2023

2. Gem City Market

Dayton, Ohio opened in 2021

3. Harvest Market

A SHARE Co-op Grocery Winston-Salem, N.C. opened in 2022

4. Lovettsville Co-op Market

Lovettsville, Va. opening in 2023

5. New Orleans Food Co-op

New Orleans, La. open since 2011

6. Placerville Food Co-op

Placerville, Calif. open since 2011

7. Rutland Area Food Co-op

Rutland, Vt. open since 1994

8. Wild Onion Market

Chicago, III. opening in 2023

Expanding the Cooperative Sector

New startup co-op



Assabet Co-op Market

(Maynard, Mass.)

Assabet Co-op Market and its 2,200 members celebrated the store's grand opening on June 3, 2023. The 10,400 square foot store is located approximately 20 miles west of Boston.

Onsite expansion



Outpost Natural Foods Co-op

(Milwaukee, Wis.)

With the expansion of its Bayview location — now boasting 11,400 square feet of retail space — Outpost Natural Foods Co-op is projecting a 7% increase in sales. Bayview is one of Outpost's four stores in the Milwaukee area.

Onsite expansion



Berkshire Food Co-op

(Great Barrington, Mass.)

In a cozy new space called The Attic — located on the second floor above the co-op's primary retail space — Berkshire Food Co-op now offers sustainable kitchen and home goods, many locally made.

Additional location



Hendersonville Community Co-op

(Hendersonville, N.C.)

The co-op's Lakeside Café, on the campus of Blue Ridge Community College, provides prepared foods and grab-and-go items five days a week to the school's 2,000 students and 300 faculty and staff. Café offerings include sandwiches, salads, sushi, baked goods and a variety of packaged grocery items. Hendersonville celebrates its 40th anniversary in 2023!

About NCG

National Co+op Grocers is a business services cooperative for 158 socially responsible, independently operated, community-owned grocery stores with nearly 230 stores in 39 states and nearly \$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.

