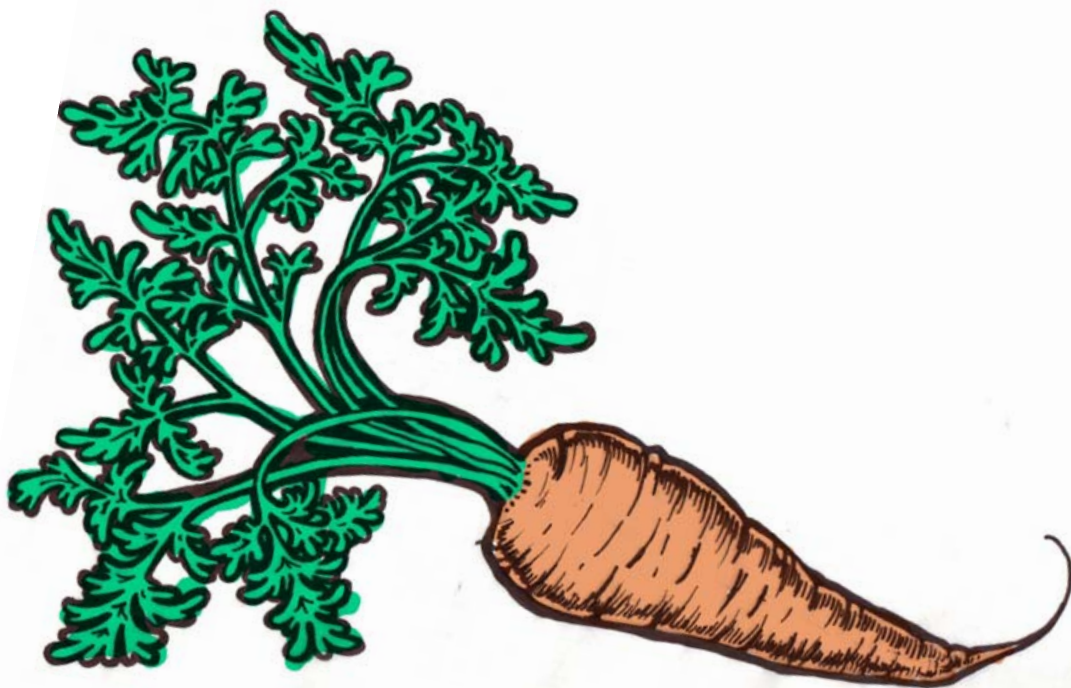


just local food **cooperative**



2009 mid-year report

2008 - year of many changes

*by the worker / owners of Just Local Food
Cooperative*

We started 2008 on firm ground as we settled into our location on First Avenue. Strong sales over the 2007 holiday season led right into a solid first quarter. Uncertainty loomed as Eau Claire County announced plans to expand their jail facility, forcing us to move our thriving business. We struggled through the summer balancing our need to serve our customers (in a building slated for demolition!) with our desire to find a sustainable location.

Just Local Food received an incredible response as growth plans were shared with our supporters and we launched our Class C investment opportunity. Brisk sales of shares through the summer solidified our ability to move as we found a fantastic location nearby. In October, with overwhelming community support, we moved our entire store and were open for business in a few short days.

As we write this, the first few months of 2009 have been equally stellar. Our challenge is to continue to grow our cooperative while retaining our core principles and serving our community.

location, location, location

Perhaps the biggest story of 2008 was the big move to Farwell Street. Spurred on by

the forced removal from our building on First Avenue, collective members devoted the entire summer to sleuthing out the perfect location for our growing store. Our supporters stepped up with investments which gave us the confidence to make the jump without the assistance of any major financial institutions. A friend of the co-op purchased the business property and leased it to us at a reasonable rate, which left our Class C

investments available to increase inventory and purchase key fixtures for the store. Efficiencies of the new layout paid off immediately, including energy and labor savings.

Long-time customers blended in with our new neighbors and passers-by to create a dynamic, bustling store environment. By the end of December, the uncertainty from early 2008 disappeared as we settled into our building and welcomed the changes.

Our plans for 2009 include replacing the outdated and inefficient freezer case, giving the exterior a facelift and making energy efficiency improvements.

Our Mission: Just Local Food is a worker owned business that supports the local economy by connecting people with quality food and the farmers who produce it. Our mission is to provide delicious food, local products, and loving and dedicated service in order to promote healthy people and a healthy planet.

Community Supported, Worker Owned

Just Local Food incorporated in 2004 as a worker owned cooperative in the State of Wisconsin. Worker cooperatives are business entities that are owned and controlled by their members, the people who work in them. The two central characteristics of worker cooperatives are: (1) workers invest in and own the business and (2) decision-making is democratic, generally adhering to the principle of one worker-one vote. Our growth would not have been possible without generous community support and the labor of our current and former workers. *THANKS!*

Cooperatives follow seven internationally recognized principles:

- * **Voluntary and Open Membership**
- * **Democratic Member Control**
- * **Member Economic Participation**
- * **Autonomy and Independence**
- * **Education, Training and Information**
- * **Cooperation Among Cooperatives**
- * **Concern for Community**

The JLF worker collective gathered for a planning retreat in the Spring of 2009.



Organization

Just Local Food strives to be a democratic workplace. As we grow, we find new ways to improve our organizational structure along with the business. Among the many changes in 2008 was the development of a more robust department and workgroup model. The following pages reflect the fruits of our labor over the past year, separated by general departments and topics.

Refrigerated

From our new walk-in cooler we sell a wide variety of local dairy, meat, beverages, dips, sandwiches and other prepared foods. Most of these items are from nearby farms and food producers. Toward the end of 2008 we sold well over 500 bottles of Crystal Ball Farms organic milk per week on average. We're proud to continue our relationship with the DeRosier family of Crystal Ball Farms. They were one of our biggest, earliest supporters and continue to provide us with great quality products and service that continue to serve as a backbone to our operations.

Bulk

The major news in bulk food is our investment

in new gravity-feed bulk bins at our new location. We love to talk with customers about uses and cooking methods for their bulk products and look forward to building this knowledge and product line together as we are able.

While some of the products we sell in bulk are not local, we pride ourselves on advancing local food and partnering with suppliers that share our goals and vision. Popcorn, oats, grains and many of our beans are from local and regional producers. Other products are sourced through fair-trade suppliers or farms engaged in value added processing and distribution. We've found that sourcing non-local products through local suppliers results in higher quality and lower overall costs, as transportation and logistics are consolidated.



One of our first major supporters, Crystal Ball Farms, continues to supply our customers with a great majority of our milk, butter and cheese.

Beer

In order to sell beer in our store, all worker/owners had to complete training and licensing from the city. Since moving last fall, sales have more than doubled along with our selection. As a result of this increased interest, we have been releasing a monthly beer newsletter and holding a monthly beer sampling by a featured brewery. Having the best selection of in-state beer around allows us to offer a variety of styles and prices that we were unable to achieve in our previous location. Of note, we carry beer from 7 of the 9 breweries involved in the Midwest Hops and Barley Cooperative, and from many of the breweries involved in the newly formed Wisconsin Brewers Guild.

Coffee / Tea

While we saw no big changes in 2008 for our suppliers of coffee, we did watch sales

grow. With our move came new bulk bins for coffee, giving us the opportunity to sell four of our best selling whole bean varieties. Just Local Food continues to be the biggest retailer of Farmer to Farmer coffee in the world!

Frozen

Our frozen food department got a big boost from the move. Switching from chest freezers to glass doors gave us more room and better visibility. Local & regional brands still comprise a great majority of our freezer space, with suppliers such as Marie's Bakery, Castle Rock, Sno-Pac, Nature's Bakery, Paul's Breads, Renaissance Farms and more.

Packaged Grocery

We've had no problem keeping our shelves stocked with a wide variety of local and regional products. Our best selling grocery product continues to be Yellow Corn

Tortilla Chips from Whole Grain Milling Company of Welcome, Minnesota. Sales of local honey, maple syrup, sorghum, jellies and jams continue to grow. With the move, more shelf space became available and we continue to fill the empty spots with two goals: meet the needs of our customers and provide grocery store access to small farmers and food producers.



Sales of Class C Shares in 2008 made the new set of bulk bins, pictured above, possible. Thanks to our many community investors!

Items from bigger companies do find their way to our store, and we continue to monitor and research food trends to ensure we carry a wide variety of the highest quality foods at reasonable prices.

Meat

Local meat continues to grow in popularity and selection. The new location with our see-through upright freezers has allowed us to carry a greater variety of meats from a larger number of suppliers. In 2008 we sold more meat than ever from longtime suppliers Little Spring Valley, Wheatfield Hill, Coon Creek Family Farm, Beaver Creek Ranch, ROMAR, Anderson Farms, Golden Hills Buffalo and Lambalot. This year we added Crescent Meats, Futility Farms, and Beeler as suppliers of new products. Also new are meat label cards that tell customers about the supplier/producer, location, type of product, ideas for preparation and the price.

Produce

Sales of fresh produce climbed

throughout 2008 to end up as our top selling department, driving customer loyalty and cementing Just Local Food's status as a one stop shop. Fresh seasonal items from local farms are complimented by high quality

produce from farms that score high on our food policy. A partnership with the

Wedge Cooperative in the Twin Cities filled our refrigerated case with regular deliveries of organic produce from near and far.

We at Coon Creek Family Farm consider it an honor and a privilege to work with the fine folks at Just Local Food. Their commitment to local food is a great asset to the entire Chippewa Valley. We greatly appreciate all they do! -Vince and Julie Maro



Certified Organic chicken in our frozen meat section, and eggs from our refrigerated section are still strong sellers for Coon Creek Family Farm. Julie's handmade goat's milk soap has been a staple Health and Beauty item for many years.

Community

Just Local Food strives to be an active, productive member of our community and go beyond our core role as a job creator and retail outlet for local farmers. Here are some of the things we did last year: ~As in the past, we support local artists with monthly art space. ~We donated over \$3000 worth of food to Feed My People Food Bank and contribute organic produce to the Community Table whenever possible. ~We participated in the formation of the Chippewa Valley Producers and Buyers Cooperative, an effort that joins local institutions with local farmers. ~We had a “float” in the International Fall Festival parade and handed out local organic apples. ~We made an appearance at Oafa (open air festival of the arts in Phoenix Park) with a mobile fruit stand. ~We assisted the UW Eau Claire Economics Department with Lakeshore and Longfellow School Fruit & Vegetable Fairs, providing a booth with samples and food preparation tips. ~We were invited to share food for a fundraiser called Taste of the Valley at the Heyde Center for the Arts in Chippewa Falls. ~We had a booth at the Chippewa Valley Technical College Health Fair. ~We Sold snacks and sampled coffee at the UWEC campus farmers market. ~We donated seeds to the Foodlums, a UW Eau Claire student organization. ~We spoke to many classes and hosted hundreds of local students, from preschool to upper level University, about local food & farm issues, and gave many store tours. ~We contributed articles, letters and inside information to a wide variety of media.



Just Local Food apple cart in the International Fall Festival parade. One example of our many contributions to our community.

Class C Shares

In 2008 community members invested over \$70,000 in our cooperative. As sales steadily grow, confirming our projections for success in our new location, we're looking to the community once again to help us grow the store in new directions. Just Local Food created Preferred Shares to raise capital for the business. The Co-op uses the invested money to expand services, education and products for members of our greater community. Each share has a par value of \$100 and an annual dividend of 5%. The minimum investment is \$100, which translates into exactly one share of Class C, Series 1 Stock. Let us know if you are interested in being part of our growth!

Parting words...

Steve Pechacek, Next Generation Organic Dairy

“With high fuel prices and an uncertain economy, there is no better time to support area businesses and local farmers. Just Local Food has always used this philosophy and it makes good sense. Today more than ever, consumers want to know and enjoy knowing where their food comes from, and once again Just Local Food makes this possible. Their staff is very knowledgeable, friendly and helpful. Their presence in the community is greatly appreciated by the many people who visit the farmers market, and their service to our local consumers is a valuable asset which will only continue to increase in value as time goes by. I appreciate the economic and environmental impact they are making in our area and want to thank them for making a positive difference.”

**Financial data available upon request to
lissa@justlocalfood.com or at our store:**



**Just Local Food Cooperative
1117 South Farwell Street
Eau Claire, WI 54701
(715) 552-3366
www.justlocalfood.com**