



Co-op 2020 Year End Newsletter



2020 is now behind us, and we would like to give each of our members & customers an update of how things are going at our Co-op. The board and management felt that you, the member, should be updated on what is new, what has changed and what has been upgraded at the La Crete and High Level locations. We trust this newsletter gives you some insight into what has happened over the past year at Co-op. As always if you have any questions please come in, call or email us at admin@lacreteco-op.com as we value your feedback.

Hi-Lites - 2020 certainly was another busy year for Co-op. It was a year of challenges and many successes. While our year end numbers have not been finalized, a high level summary of our financials shows that we had a 11.5% decrease in sales dollars going from \$59.2 million to \$52.4 million. This looks alarming but actually all our departments did well in 2020. Our Petroleum division was down *in sales* by 17.5% but **UP, in litres** sold, by 5.2%. That means the reason for the decrease in sales dollars was due to the fuel prices dropping suddenly and drastically when COVID hit. The Food Store and Variety Store had an increase of just over 3% for a combined total of just over \$17 million in sales.

Upgrades

La Crete Food Store – We upgraded our refrigeration system. The old system was over 20 years old and was already quite prone to failure so the Board of Directors approved a modernization of our system, which was a significant amount of money, in order to install a much more reliable system that is supposed to last for many years to come.

La Crete Food Store – We upgraded our chicken program to go with the “Marketplace Chicken” program. It has been a big success for us. If you have not tried the new chicken program, we ask that you do so in order to see what you think.

Changes

High level Petroleum – At our High Level site we paved the parking lot and are in the process of expanding the retail building. This will allow us to have a cleaner, neater and much more professional yard and store. This in turn helps us provide better customer service along with a better shopping experience for members and other customers alike.

Future Plans

Even though 2020 was a tough year in many respects, the board and management are still planning on setting aside some money and planning for some exciting possibilities for both the food store and our cardlocks in 2021. Stay tuned!

Challenges

The biggest challenge faced this year was that of COVID. After the wildfires of last year we thought it would be good to settle back into a more normal business routine but were we ever wrong. We had many product shortages due to supplier outages and some are still affecting us today. There were many times early in the year where we had severe staff shortages due to following the COVID protocols. It was also a tough year for FCL in that their refinery, which happens to be their main revenue generator, was heavily impacted by COVID. With the economy contracting it meant that a lot less litres were being sold and therefore a loss in revenue. What does this mean for La Crete Co-op?

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It means that we are expecting a reduced patronage refund from FCL in comparison to what we have received in years past and this will very likely impact the amount we are able to pay out locally. Fortunately locally La Crete Co-op is on pace to have one of it's strongest local earnings years and that is good news especially if there will be a reduction of money coming in from FCL.

Throughout all of the challenges in 2020, Co-op has had many employees pitch in and go way above and beyond in order to help those who needed it. We want to say a huge "Thank-you" to our dedicated staff!

Memberships

MEMBERS ARE OWNERS

Once a person has bought a membership they are eligible for a rebate on all their purchases in the form of cash and/or equity. In other words, Co-op offers competitive prices up front on quality products and services plus you can still share in the profits that your Co-op makes - unlike other companies! And unlike a Costco, your Co-op membership fee is a one-time fee and **you get your membership fee** back when your account is closed.

Many companies take their profits out of your local towns but not a Co-op. The profits stay here and with you. For example: ***The average refund over the past five years has been 1.90% in food, 3.25 % in fuel and 4.15% in oil and lubes.*** Now while these rates change and move up and down each year based on the profitability of Federated Co-op and the local Co-op, it just serves to remind how powerful a Co-op membership can be and how much you can save by being a member and by shopping at Co-op. This is the advantage of being a Co-op member.

How does it work? You buy a membership for \$500 which becomes your starting equity. Any purchases you make qualify for a potential Patronage allocation (refund) which is comprised of more equity as well as cash paid out once a year. Over the years your equity in Co-op grows and once you retire or move out of our trading area this equity can be redeemed as cash. As an option for making it easier to purchase a membership, La Crete Co-op allows the membership to be paid in installments over one year. We work hard all year so we can share our profits with you!

If you are interested in purchasing a membership please come into the Administration office (open Monday to Friday 9:00am to 5:00 pm) and we can explain all the advantages of being a member of a local Co-op!



June 2018 – Last Customer Appreciation Day before the fires and Covid

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