



Frequently Asked Questions about the \$500 shop.

Q. Why is the \$300 shop increasing to \$500?

A. The cost to the Co-op of the \$300 shop has become so significant that it has become unfair to member-owners who don't use it. Increasing it to \$500 allows the Co-op to use the savings in ways that benefit everyone, such as lower member pricing, patronage return, or investment in Co-op assets.

Q. When will the change take effect?

A. The last day to use the \$300 shop is April 17, 2018.

Q. When was the \$300 shop last adjusted for inflation?

A. The \$300 shop was established in 1992 and has not been updated since.

Q. How much has inflation added to the cost of food since 1992?

A. According to Stats Canada, food costs have risen 71% since 1992. A shopping cart that cost \$300 in 1992 would cost \$513 today.

Q. How much does the \$300 shop cost the Co-operative?

A. In the last fiscal year, the \$300 shop directed \$180,000 in savings to the member-owners who used it.

Q. Do other food co-ops have a benefit like the \$500 shop?

A. We have not found another natural foods co-operative that uses this structure. If you know of one, please let us know as we would love the opportunity to discuss the benefit with them.

Q. Can the co-op reduce other costs to keep benefits the same for member-owners?

A. The purpose of the change is to make our benefits more equitable for all member-owners, not merely to save money. Reducing other costs won't address this issue. Co-op staff are already working to increase efficiency, reduce labour costs, and eliminate waste in the new store. The move to the new store and the dramatic growth in sales has required a lot of

changes--we are still working out the kinks. Please let us know if you see something that you think could help make our Co-op more efficient.

Q. Why have prices for some products changed?

A. The Co-op changes prices on products according to how much it costs us to get the products. On average, the portion of the retail price that goes to pay for the Co-op's operating costs (our margin) has been very steady for the last several years. We try to absorb small changes so that the month-to-month price to member-owners is stable. When we get a good deal, we put the product on member special. Customers who are not member-owners don't get to enjoy these discounts.

Q. Why not make the change in increments instead of all at once?

A. We decided that one change would be easier to implement for staff and less confusing for member-owners. Increasing the threshold several times over the course of two years would cost more and delay the necessary correction.

Q. How does member pricing work with the \$500 shop?

A. People who take advantage of the \$500 shop get the benefit of member pricing (up to 30% off on some items) as well as a further 10% discount on the total transaction. Special orders of case lots will receive the same 10% discount as regular priced items. The \$500 shop is suspended during the semi-annual Case Lot Sale.

Q. How much do I save in member pricing?

A. Last year, member-owners saved \$1.5 million compared to regular pricing, or about 9% of our sales.