

MEETING MINUTES, March 27, 2019

- Present: Tom Battles, Kevin Birdsey, Liz Blum, Bill Craig, Rosemary Fifield, Jessica Giordani, Dana Cook Grossman, Ed Howes, Benoit Roisin, Ann Shriver Sargent and Jessica Saturley-Hall
- Absent: Victoria Fullerton
- Staff: Amanda Charland (Director of Outreach), Ed Fox (General Manager), April Harkness (Board Administrator), Lori Hildbrand (Director of Human Resources), Mark Langlois (Director of Finance)
- Members: Emmanuel Ajavon (2019 Board Candidate), Carrie Kocik (2019 Board Candidate), and Allene Swienckowski (2019 Board Candidate), Stacey Hopkins, Darla Bruno, Susan Edwards, Carol Langstaff, Cynthia Taylor, Susan Kellogg, and Nancy Serrell, plus a few additional guests who were present to hear about the Co-op's plans for the use of plastic bags at the registers

Bill Craig called the meeting to order at 6:00 p.m. in the Board Room at the Hanover, NH, store.

Consent Agenda: February 27, 2019, Meeting Minutes (Appendix A) and February 2019 Share Redemption Requests

MOTION: Tom Battles moved to accept the February 27, 2019, Meeting Minutes and the February 2019 Share Redemption Requests.

Dana Cook Grossman seconded the motion.

DISCUSSION: Jessica Saturley-Hall asked to move the 30-minute discussion on the Governance Coach that was supposed to appear on the March board meeting agenda to the April board meeting agenda.

VOTED: 11 in favor, 0 opposed. The motion passed.

General Manager Report

Ed Fox told the board that the Co-op continues to track ahead of budget. The Service Center in Norwich recently passed its Vermont state inspection and plans to begin offering Vermont vehicle inspections by the middle of next week.

The Co-op is continuing to listen to ideas from Norwich Technologies on solar opportunities for the Farmer's Market land in Norwich. The Co-op has a 5-year term with the Farmer's Market as that property's primary use. Ann Shriver-Sargent asked that Ed keep the board informed on this project, in view of the fact that it would represent a long-term commitment of a significant Co-op asset.

Ed is also working on the strategic plan, executive limitations, continuity planning, and a general manager succession plan, the latter for implementation if he is out of town or unavailable and action by the GM or a designee is necessary. Lori Hildbrand will serve in this role, and Ed will work with

senior management on identifying more options. This process will be outlined in the next board packet.

The Co-op had two proposals accepted for the 2019 national conference run by the Consumer Cooperative Management Association. Emily Rogers (Education Manager) will co-present at a session on food access programs, and Amanda Charland will co-present on our member engagement project. As further evidence of the Co-op's national impact, Ed also mentioned that Allan Reetz (Director of Public Relations) is testifying this week in Washington, D.C., before the National Organic Standards Board and also meeting, while he's there, with staff members for both the Vermont and New Hampshire U.S. Senate and House delegations.

Ed Howes mentioned that he was happy to see both customer and transaction numbers, as well as basket sizes, trending upward. Ann was also happy to see less red ink in all departments, across all locations.

Plastic Bags

Ed Fox sent a letter to the board earlier today and read it aloud at the meeting to the board members, employees, and members present. *(Please see Appendix A for the text of this letter.)*

Liz Blum thanked Ed and the Co-op for their leadership role in the community on this issue. Tom Battles also commended the General Manager and the management team for their decision to phase out plastic bags at the checkout/register by the spring of 2020.

Patronage Refund

Ed Fox informed the board that members eligible for a patronage refund cannot, according to state law, have their accounts credited at the register but must instead be issued as cash (i.e., checks). As a result, a decision was made that if a given member's patronage refund is less than \$1.00, it will be retained and rolled over into the next patronage refund. Approximately 52% of members are eligible for a patronage refund this year.

MOTION: Benoit Roisin moved to approve the decision of the General Manger to issue patronage refunds in the form of cash, in accordance with statutes and the Co-op's bylaws.

Dana Cook Grossman seconded the motion.

VOTED: 11 in favor, 0 opposed. The motion passed.

Member Comments

Stacey Hopkins recommended that the Co-op post more educational information about plastics and look at the use of all plastics within the organization, not just bags at the registers. She encouraged the Co-op to follow the town of Brattleboro's lead. She also suggested solar canopies in the store parking lots.

Darla Bruno spoke about the effects of plastics on wildlife and marine life and encouraged the Co-op to eliminate whatever plastic items it can.

Susan Edwards, the chair of Sustainable Hanover, suggested more educational information at the Co-op, less plastic all around, and increased visibility for paper bag options and more practical sizes — plus a return to a print newsletter.

Carol Langstaff suggested three places for bag reminders — at the entrances, at the registers, and in the bulk departments. She asked the Co-op to work with the Farmer's Market on trash removal and to research New Zealand's naked food program.

Cynthia Taylor agreed that reducing the use of plastics in all departments would be ideal and asked why she is unable to bring her own container to the deli. Ed Fox responded that the New Hampshire health code does not allow prepared foods to be placed in outside containers, only bulk foods. He said the Co-op is considering tackling this issue at the policy level.

Susan Kellogg asked why Co-op bulk items are placed in plastic clamshells.

Nancy Serrell also dislikes the clamshells but commended the Co-op for taking on the issue of plastics. She hopes the Co-op will encourage more sustainable options for all packaging.

Ann Shriver Sargent passed along a member comment from Margaret Cheney, encouraging front-end employees to ask for customer bags as a first option, with the hope that this might change customers' patterns over time.

Bill Craig read a letter from Barbara Calloway of the Hanover Neighborhood Action Group offering similar concerns and suggestions.

Many more thoughts and suggestions were shared before the discussion concluded with board member Jessica Saturley-Hall, chair of the Waste Reduction Committee, and Ed Fox thanking so many members for coming to share their input. Jessica added that similar comments were repeated many times over — “and heard,” she said — in the recent member survey on the subject. And Ed encouraged members to continue writing him with ideas.

All of the guests except the employees and the three board candidates present left at this point.

Ends Global

The board discussed the Ends report submitted as part of the board packet by Ed Fox.

Tom Battles asked a clarifying question regarding the Co-op's plan to achieve a \$12 minimum wage. The Co-op is moving in that direction and will be completed by April 2019, Ed Fox explained, and this figure will represent the lowest employee wage, rather than just a new-hire minimum wage. He added that the Co-op is unlike most grocery stores, in that 82% of employees are full-time, with benefits, and only 18% are part-time, often by choice. This is a sharp contrast to the rest of the industry, where, typically, only 30% of employees are full-time, with benefits.

MOTION: Tom Battles moved to accept the Ends Global report.

Benoit Roisin seconded the motion.

DISCUSSION: Rosemary asked to have the record show that in the future, according to Governance Coach recommendations, such monitoring reports should show metrics for what has been accomplished, not just for efforts that have been made.

VOTED: 11 in favor, 0 opposed. The motion passed.

Policy Monitoring

Monitoring Report: B-GM 4 – Monitoring General Manager Performance

(To be further discussed in Executive Session)

MOTION: Kevin Birdsey moved to accept the report on B-GM 4 – *Monitoring General Manager Performance* as in compliance, except for B-GM 4.5, with that item not in compliance but with a plan for remediation in place.

Rosemary Fifield seconded the motion.

VOTED: 11 in favor, 0 opposed. The motion passed.

Engagement Project Presentation

Amanda Charland reminded the board of the project's start a few years ago, with the board's creation of the vision statement. The project will provide a systematic approach for engaging members in a manner that allows them to move around our organization in ways that makes sense for them, while helping us achieve our vision. Our members thus become partners and we become better listeners.

There are four components of the project, she explained: goals, audiences, superpowers, and a pyramid of engagement. Any technology merely supports the strategy, rather than driving it.

Shortly after the creation of the vision, the team began developing personas. These tell us more about our customers' motivations, behaviors, and expectations. The Co-op believes that our superpowers (the factors that make us unique) are that we are trustworthy, we have knowledgeable employees, we were "born and raised here," and we're making "here" a better place.

The team then created value propositions: a way of articulating the value of our programs for our customers. With these in mind, we begin to understand the mindset that enables customers to move up and down the engagement pyramid. There is no more or less value in any given position on the pyramid, but it creates a road map.

She then offered some metrics indicating the value of the project. Understanding our customers better through this project, for example, has increased Culinary Learning Center participation by almost 50%. And the number of people following the Co-op on Instagram has risen from 183 to over 1,100. In addition, as a result of insights from the project, we've developed vouchers for LISTEN clients, so they can take advantage of service center repairs donated for those who need assistance.

Jessica Giordani, as board liaison to the project, asked the board to consider the meaning of cooperative commerce as one of the three stated goals of the process, along with reliable access to goods and services and environmental leadership. Ideas included the relationship with other cooperatives and other community partners, the difference between corporate behemoths and cooperatives as a model of doing business, the fact that cooperative commerce benefits both the Co-op *and* its members, and the fact that there's an interdependence between the organization and its members. Others suggested that it means making products available at reasonable prices that might not otherwise be available – locally grown, locally produced. And lastly, it was noted that cooperative commerce is simply a way of doing business — community owned and community oriented, sharing equity throughout the community. Board members were encouraged to email further comments on the subject to Amanda and Ed.

New Business

A March 27, 2019, letter from National Co-op Grocers informed the board, management, and staff that our Joint Liability Fund (JLF) requirement — after having been increased to 16% of payables due to the expenses incurred for our Hanover expansion project — is again back down at the minimum rate, 8% of payables, based on a risk management assessment and the "excellent results of your expansion."

Jessica Saturley-Hall call-in request

Jessica asked for board approval to participate in meetings by phone from whatever date she moves temporarily out of the area after the birth of her twins, so as to be near family help, until she is able to move back to the Upper Valley — most likely a period of two to three months

MOTION: Dana Cook Grossman moved to approve Jessica Saturley-Hall's request to participate by phone — as a voting member of the board, in any regular or special board meetings, including executive session — for as long as necessary.

Tom Battles seconded the motion.

VOTED: 10 in favor, 0 opposed, 1 abstention (Jessica Saturley-Hall). The motion passed.

Employee Survey

The board had contributed some questions to the 2018 Employee Survey, but the questions did not provide any actionable feedback. The board was asked if they wanted to keep the questions in the 2019 survey, or drop them. In response to a board member question as to whether some but not all of the questions could stay, Lori Hildbrand informed the board that because this is a follow-up survey, the choice was either all or none in order to make year after year comparisons.

MOTION: Tom Battles moved to drop the board questions from the 2019 Employee Survey.

Dana Cook Grossman seconded the motion.

VOTED: 11 in favor, 0 opposed. The motion passed.

Ends Special Meeting

Bill is working with Richard Stringham of the Governance Coach on dates in April and May for a board workshop to redraft our Ends policies. The board discussed the cost of the workshop, as well as the cost of additional services that we may want to receive from the Governance Coach. Many board members expressed a feeling that the board needs to expand its work with consultants, beginning with reworking the board policies, including Ends and executive limitations.

MOTION: Ann Shriver Sargent moved that at the April 2019 board meeting, the board consider a revised 2019 board budget, for a sum of money that will allow the board to complete a review of its governance policies.

Tom Battles seconded the motion.

VOTED: 8 in favor, 2 opposed (Liz Blum and Benoit Roisin), 1 abstention (Bill Craig). The motion passed.

Committee Updates

Annual Meeting Task Force

Ann Shriver Sargent, chair of the task force, said all the plans are set for this year's annual meeting and she shared the proposed agenda for the meeting.

Diversity Committee

Liz Blum presented a revised charter for the establishment of this committee. There was some discussion about whether its proposed objectives are consistent with the approach to committee work recommended by the Governance Coach or were too operational in scope.

MOTION: Tom Battles moved to establish a Diversity Committee based on the proposed charter, after accepting a friendly amendment to 1) strike the proposed Committee Objectives section and 2) replace it with the following revised text: "Committee Objectives: 1. The Committee shall work toward the achievement of racial and social equity in our Co-op by *supporting the board in promoting*

diversity in accordance with the mission of the board to serve and represent the foreseeable trends of future communities and our overarching cooperative principle number 1.”

Ed Howes seconded the motion.

DISCUSSION: After some further discussion, most board members agreed that the concept behind the committee is important, but that it is important to keep its efforts focused on board work. It was also suggested that the revised charter be sent to Richard Stringham to review.

VOTED: 11 in favor, 0 opposed. The motion passed.

Liz also reminded board members that the 21-Day Racial Equity Challenge, which several board members participated in last year, is about to begin.

Governance Committee

Kevin Birdsey, chair of the committee, reported that the group is continuing to work on improving the board’s monitoring processes.

Related Meetings

Liz Blum reported on attendance from our Co-op at the annual meeting of the Neighboring Food Co-op Association (NFCA), in Greenfield, Mass. Attending from the HCCF in addition to herself were board members Bill Craig, and Victoria Fullerton, plus employees Ed Fox and Emily Rogers. Ed and Emily were both presenters — Ed on climate change and Emily on co-ops and recipients of Supplemental Nutrition Assistance Program (SNAP — formerly known as food stamps) benefits. Liz also mentioned that she, board member Rosemary Fifield, and employees Ed Fox, Allan Reetz (Director of Public Relations), and Dot Benham (Category Merchandiser) had attended the recent day-long symposium on the Real Organic Project hosted by Dartmouth College.

Waste Reduction Committee

Jessica Saturley-Hall, chair of the committee, offered a brief synopsis of the committee’s recent survey of members and customers about single-use plastic bags and also noted the recent comprehensive report on the subject issued by the committee. Several board members praised the depth and thoughtfulness of the report. There was some discussion about whether the report could/should be posted on the Co-op’s website; it was noted both that it should be posted, in the interest of transparency, but at the same time, that some material included in it (such as representative comments made by respondents to the survey) came from people whose permission was not asked to regarding use of their input in a public forum.

MOTION: Tom Battles moved to post the Waste Reduction Committee report as part of the March minutes on the Co-op website, with the exception of two parts — the section listing specific comments made by respondents to the survey and the section reporting comments gathered from various Upper Valley social service agencies.

Liz Blum seconded the motion.

VOTED: 10 in favor, 0 opposed, 1 abstention (Jessica Saturley-Hall). The motion passed.

Executive Session

MOTION: Bill Craig moved at 9:20 p.m. to go into executive session to discuss the nominees for the Co-op's annual Allen and Nan King Award, with the two employee members of the board included.

Liz Blum seconded the motion.

VOTED: 11 in favor, 0 opposed. The motion passed.

MOTION: Kevin Birdsey moved at 9:33 p.m. to come out of executive session.

Rosemary Fifield seconded the motion.

VOTED: 11 in favor, 0 opposed. The motion passed.

Allen and Nan King Award

MOTION: Kevin Birdsey moved that the 2019 Allen and Nan King Award be presented to the individual the board had agreed on during the executive session.

Ed Howes seconded the motion.

VOTED: 11 in favor, 0 opposed. The motion passed.

Executive Session

MOTION: Liz Blum moved at 9:35 p.m. to go into executive session to discuss a personnel matter, with the two employee members of the board included if they feel comfortable remaining.

Tom Battles seconded the motion.

VOTED: 11 in favor, 0 opposed. The motion passed.

At 9:39 p.m., the two employee members of the board excused themselves for the night.

MOTION: Tom Battles moved at 10:25 p.m. to come out of executive session.

Liz Blum seconded the motion.

VOTED: 9 in favor, 0 opposed. The motion passed.

MOTION: Benoit Roisin moved at 10:26 p.m. that the annual review letter to Ed Fox, as amended during the executive session, be delivered during a lunch between Ed and the four members of the executive committee.

Tom Battles seconded the motion.

VOTED: 9 in favor, 0 opposed. The motion passed.

Adjournment

MOTION: Liz Blum moved to adjourn at 10:26.

Rosemary Fifield seconded the motion.

VOTED: 9 in favor, 0 opposed. The motion passed.

Respectfully submitted,

April Harkness

Board Administrator

Dana Cook Grossman

Board Secretary

Appendix A

Plastic Bags: A Statement to the Co-op Board of Directors

by Ed Fox

Team,

Earlier this month, the New Hampshire House passed HB560, a bill that would restrict the use of plastic bags in the state. If signed into law, the legislation would bar New Hampshire restaurants and food retailers from offering complimentary single-use, carry-out plastic bags. Shoppers would either need to bring their own bags, or purchase bags for 10 cents each. Customers receiving SNAP, EBT, and WIC benefits would be exempt.

The language of the bill is ambiguous and contentious, but the upshot is that we're clearly moving toward a world in which plastic bags may not have much of a future. As we know from recent surveys, Co-op members, customers, and employees have strong feelings about this issue.

Beginning immediately, our co-op will initiate a plan to reduce our dependency on plastic bags, with an end goal of phasing out plastic bags at our Front End checkouts completely by the spring of 2020. Obviously state legislation, which is still evolving, will inform our actions. But in the meantime, anything that's within our control is something we're going to move forward on, and make that a priority for the coming year.

So why are we doing this now? I admit that it would be easier to wait and see what happens with the legislation, then act accordingly when we have to. But I don't want to do that. I want us to be proactive, and do this the right way. Operationally this will be challenging.

To me this isn't a matter of simply doing the right thing, but doing the thing right. This approach is something I'd like for us all to keep in mind. Our Ends call for stewardship on the environment, but they also call for respecting diversity. If we're going to be a broad and inclusive cooperative, we need to respect that we have conscientious members and employees with a wide range of opinions. Though sometimes we have to draw a line, on many issues, there's room for all of us. In this case, I believe that as a cooperative, what we can agree on is that it's only a matter of time before plastic bags are on their way out, and we have an opportunity here to take this issue, break it down into manageable steps, and implement it correctly.

I know we have the collective genius to make this happen. And as we do that, it's important to me that we don't put an undue burden on our membership. In short, I want to make sure we identify and break down barriers in order to make this as painless as possible for those who aren't quite there yet, and respect all points of view. I'm confident that in the year ahead, we can figure this out together.

My thanks to our board, members, and employees for their ongoing engagement in this work. I'd be happy to answer any questions you may have or to talk more about it. In the meantime, as I often say, my door is always open. Thank you.

NOURISH. CULTIVATE. COOPERATE.

Appendix B

Waste Reduction Committee
Report to Board of Directors on plastic bags at the Co-op

Waste Reduction Committee Members involved in drafting this report: Jessica Saturley-Hall (Chair), Liz Blum, Thomas Battles, Victoria Fullerton, Amanda Charland, Marc Morgan, Marta Ceroni

Introduction

Over the last year, several members have expressed a desire for the Co-op to stop providing plastic bags at checkout. At the December 19, 2018 Co-op Board of Directors meeting, the Board voted to refer the matter to the Waste Reduction committee for study.

The committee met in January 2019 and established a timeline and a plan to study the issue of plastic bags at checkout. The committee created a survey for member and non-member shopper feedback; the survey ran from February 19, 2019 to March 11, 2019 (see appendix D for a copy of the survey). The committee has attempted to study this topic from a variety of perspectives, to provide the Board with as much context and background information as is necessary to make considered, thoughtful decisions, recommendations, and policies. To this end, we considered the following categories of study for this report:

- Legislative issues
- Social aspects
- Economic aspects
- Environmental issues
- Alternatives to plastic bags
- Member feedback

This report attempts to summarize the committee’s findings from research and the survey conducted during the study period.

Definitions and clarification

Throughout this process several issues have arisen which require clarification at the beginning of this report.

- SINGLE-USE PLASTIC BAGS vs. REUSABLE PLASTIC BAGS: There are bans in effect or being considered in various municipalities across the US that ban “single-use plastic bags”. It should be clarified that the Co-op plastic bags currently in use at checkout would in many cases not meet the definition of “single-use plastic bags,” as the Co-op bags are thicker plastic bags that are able to be reused or recycled, unlike many single-use plastic bags (which are made of an extremely thin plastic and tear easily).
- PLASTIC BAGS vs. PAPER BAGS: Another topic for clarification is plastic vs. paper bags at checkout at the Co-op. The WR committee was specifically asked to study plastic bags at checkout, but it is important to note that any changes to plastic bags at checkout would affect paper bag use as well. Most case studies and recommendations the WR committee came across strongly recommended policies that address plastic and paper bags at the same time, rather than trying to only address one and then winding up with unintended consequences in terms of use of the other.
- FEES vs. BANS vs. REFUNDS: Finally, the WR committee wishes to clarify the difference between fees, bans, and refunds when it comes to plastic bags. Each of these tools are employed by different entities in different ways to try and reduce the use of plastic bags and/or encourage the adoption of reusable bags. The different structures create different incentives, rewards, and

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discomforts that each affect shopper experience and behavior in unique ways. They can also be used in combination. In a fee-based system, shoppers no longer receive free plastic bags when they check out and pay for their groceries; a fee (often ranging between \$.05-\$.25 per bag) is charged for each plastic bag that the shopper purchases to accommodate their items. In a ban-based system, shoppers do not have the option to purchase plastic bags at all. In a refund-based system, shoppers are rewarded with a refund (often \$.02-\$.05) for each reusable bag of their own that they bring to accommodate purchased items.

Where are we now?

According to information provided by General Manager Ed Fox in January 2019, the Co-op currently provides 1.2 million plastic bags annually to shoppers, at a cost of \$.065 each. The Co-op provides 250,000 paper bags at a cost of \$.17 each. Please see appendix E for more detailed annual information on plastic and paper bags provided to shoppers at Co-op food stores.

Legislation: VT & NH

- VERMONT: VT bill H.74 has been introduced to ban plastic bags. Please see appendix A for the current language of the bill. It should be noted that this is a bill, not a law, and it has not been passed yet. It should also be noted that it is not clear that the bill would prohibit retailers from selling certain kinds of plastic bags, as in a fee-based system. Some VT municipalities have enacted laws banning single-use plastic bags, including Brattleboro.
- NEW HAMPSHIRE: New Hampshire Democrat Rep Judith Spang of Durham submitted HB 560, banning all single-use bags (paper and plastic). This Bill would impact the Coop's choices of bag type. To date, this Bill has passed the House of Representatives and will require passage in the Senate. The final language will likely be quite different. The Waste Reduction Committee is watching this Bill and several others closely.
 - HB102: Permits Cities and Towns to regulate the use of plastics. Presently, held in committee in order to evaluate the outcome of numerous other bills that might render this bill moot.
 - HB558: Bans the use of plastic straws. Hearings held and passed committee. Effective one year after passage.
 - HB560: Bans the use of plastic "carry out," "single-use, bags." The hearing was held in March. Grocers were heard at this hearing. Note the definition of "single-use" would include the present Coop bags. Effective one year from passage.

Economic

Policy changes at the Co-op regarding plastic and/or paper bags would create economic impacts in two categories: revenues and costs. Case studies or reliable research forecasting specific changes were not available, but broadly speaking the following questions were considered:

Q1: Will customers spend more/less if there is a policy change?

A: The only case study we found that directly addressed this question (focused on Woolworth supermarkets in Australia and New Zealand) found that after implementing a fee for bags, shoppers were putting fewer items in their carts if they had forgotten to bring their own bags. Our member survey indicated that a majority of respondents believed that neither a ban nor a fee for bags would lead them to shop less at the Co-op.

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Q2: How much does the Co-op spend on bags currently? How might this change with different policies?

A: The Co-op spent \$78,000 on plastic bags and \$42,500 on paper bags in 2018 (1.2million plastic bags at \$.065 each, and 250,000 paper bags at \$.17 each). If every shopper currently using a plastic bag switched to using paper bags (a “one for one” replacement), this would add approximately \$90,000 to the Co-op’s costs (requiring about \$270,000 in additional sales to cover the additional cost).

Q3: If the co-op bans plastic bags, starts charging a fee for shopping bags, or offering a refund for using reusable bags, how would the ban/fee/refunds affect Co-op revenues?

A: This would depend on the specifics of implementation. A ban on plastic bags without any policy changes regarding paper bags could result in a significant increase in the use of paper bags, which are more expensive to provide than plastic bags (\$.17 per bag vs. \$.065 per bag). A \$.05 fee per bag would not cover the cost of the bags, though it would mitigate costs. If every bag (plastic + paper) used in 2018 (1.45 million) was converted to a reusable bag and subject to a \$.05 refund, the amount paid out would be \$72,500.

Q4: Are there other unforeseen costs that could arise from a change in policy?

A: Woolworth supermarkets indicated that the supermarket put more staff on checkouts to account for the longer packing times caused by customers bringing non-standard sized bags.

Social

Board member Tom Battles spoke with several area non-profits and social service providers about the possibility of impacts on their service recipients or operations. All were supportive of policy changes around plastic bags. Many noted that elderly community members need strong bags with handles that can be hung on walkers, and that the Co-op bags are the “gold standard” of plastic bags and are far superior to the bags provided by other retail grocers. Please see Appendix C for detailed notes of Tom’s conversations with service organizations.

Environmental

In general, plastic bags are unlikely to be recycled (according to the EPA and Waste Management, fewer than 1% of plastic bags are recycled nationally, with the majority winding up in the landfill), and there is increasing awareness of their impact on marine environments (see Waste Management fact sheet in Appendix F). However, the environmental impacts of shopping bags are more complicated than appears at first glance, particularly when the full lifecycle of the bag is considered. From The Atlantic:

...Canvas bags might actually be worse for the environment than the plastic ones they are meant to replace. In 2008, the UK Environment Agency (UKEA) published a [study](#) of resource expenditures for various bags: paper, plastic, canvas, and recycled-polypropylene tote bags. Surprisingly, the authors found that in typical patterns of use and disposal, consumers seeking to minimize pollution and carbon emissions should use plastic grocery bags and then reuse those bags at least once—as trash-can liners or for other secondary tasks. Conventional plastic bags made from high-density polyethylene (HDPE, the plastic sacks found at grocery stores) had the smallest per-use environmental impact of all those tested. Cotton tote bags, by contrast, exhibited the highest and most severe global-warming potential by far since they require more resources to produce and distribute...The UKEA study calculated an expenditure of a little less than two kilograms of carbon per HDPE bag. For paper bags, seven [re]uses would be needed to

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achieve the same per-use ratio. Tote bags made from recycled polypropylene plastic require 26 [reuses], and cotton tote bags require 327 uses¹.

Ultimately, no shopping bag has zero environmental impact, and from an environmental perspective it may be advisable to consider the issue from the perspective of tradeoffs rather than absolute good or bad outcomes.

Alternatives to Plastic Bags

Some Board and community members have asked about alternatives to plastic bags. In addition to paper bags, canvas/cotton bags, and recycled-polypropylene tote bags, members have inquired about compostable or biodegradable bags. There are substantial challenges to their serving as viable replacements for checkout bags; primary issues include cost, availability, durability, and interestingly—disintegration. Compostable bags are designed to break down when exposed to heat and moisture, meaning they must be stored in cool, dry conditions to avoid premature breakdown or weakening. In addition, these bags will only break down when they are disposed of properly in a commercial composting operation—compostable bags placed in the landfill (with anaerobic conditions) do not compost, they simply fail to break down—the same as plastic bags.

Paper bags are an alternative to plastic bags, and one the Co-op currently offers. Paper bags may be more likely to be recycled than plastic bags. They have a higher environmental impact than plastic bags in terms of their total lifecycle, and when compared with the reusable plastic bags offered by the Co-op they are generally less durable. They are more expensive to produce than plastic bags, and when placed in a landfill they can take centuries to break down. Paper bags are easily compostable, and their improper disposal is not known to threaten marine life.

It should be noted that banning one type of disposable bag while leaving another type largely unregulated may lead to unintended consequences. In Portland, OR, a plastic bag ban with no charge on paper resulted in a 491% increase in paper bag use and nearly \$5 million increase in the cost of bags.

Fees vs. Bans vs. Refunds

Our research indicates that true “bans” on plastic bags are relatively rare. Many “bans” on plastic bags that have already been implemented or passed into law in the United States and around the world more closely resemble fee structures than true “bans”. While single-use plastic bags might be banned in certain municipalities, states, or countries, reusable bags are still often offered for a fee.

There is strong evidence that charging fees does change behavior on a large scale. One prominent example is the fee structure imposed on plastic bags by the Irish government in 2002. Ireland did not ban plastic bags, but did require fees for their use; plastic bag use dropped by more than 90% in subsequent years.

A \$.02 charge per plastic bag in Portugal not only has encouraged re-use of bags but has also induced a significant increase in optimal use of plastic bags, with 52% of clients that pay for plastic bags using them so they are almost full, compared to 17% when bags are free.

¹ Dillon, Noah. “Are Tote Bags Really Good for the Environment?” The Atlantic. Sept 2, 2016. <https://www.theatlantic.com/technology/archive/2016/09/to-tote-or-note-to-tote/498557/>

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Under Senate Bill 270, Californians no longer receive single-use plastic bags at grocery, drug, and convenience stores. Instead, these stores may provide a reusable grocery bag or recycled paper bag to a customer at the point of sale at a charge of at least 10 cents. Some municipalities have higher fees (such as \$.15) and many are scheduled to increase fees (usually to \$.25). WIC/SNAP customers are exempt from paying the charge. A plastic bag ban with a 10 cent charge on paper reduced paper bag use by 30% in the first year of LA County's bag ban. The charge also offsets the stores' costs of distributing paper bags, which can be two or more times as expensive as plastic bags. LA County large stores spend an average of \$11,600 a year on paper bags, and receive roughly \$9,000 in bag revenue to help offset this cost and keep prices low.

In the northeastern US, more companies and municipalities are implementing single-use plastic bag bans alongside fees for reusable bags. As of Monday, October 8th, 2018 Hannaford stores in York, Brunswick, Saco, Belfast and Kennebunk, Maine have started charging \$.05 per paper bag (these towns already have a ban on plastic bags). More than 70 cities and towns in Massachusetts are doing away with single-use plastic bags in retail stores, encouraging the use of reusable bags. Market Basket has responded to the bans by selling 10-cent reusable bags, and more durable ones for 99 cents, \$1.99 and \$2.99. The \$2.99 bags are for refrigeration.

We did not find strong evidence that refunds (“rewards”) are an effective way of changing consumer behavior. From the Scientist Action and Advocacy Network (ScaAN), a New York-based group of scientists who partner with organizations that are creating positive social change:

A credit instead of a fee is ineffective. Giving a credit (reward) for bringing a reusable bag is ineffective.

- A 5 cent credit barely reduced single-use bag use in Montgomery County, MD [1] (Figure 3: from 84% to 82%).
- This is consistent with established findings in psychology and behavioral economics: Financial losses are felt more strongly than financial gains. Nobel Laureates Kahneman and Tversky described this phenomenon, called “loss aversion”[33, 34]. It applies across a wide variety of product categories [35].
- Thus, a 5 cent fee is expected to be more motivating than a 5 cent credit. A credit would have to be (much) larger to achieve a similar effect to a 5 cent fee [1].²

Member feedback

The feedback below was collected from members (and some non-members) between February 20 and March 11, 2019. The feedback survey was promoted on the Co-op’s website and through social media, and was also supported with a posting on the Upper Valley listserv and a letter to the editor written by the chair of the Waste Reduction committee, approved by the Board of Directors, and printed by the Valley News on March 6, 2019. Survey respondents completed an online Survey Monkey survey or an identical paper survey offered in store. Paper surveys were transcribed by Customer Service employees and entered into Survey Monkey. More than 1,000 respondents participated in the survey.

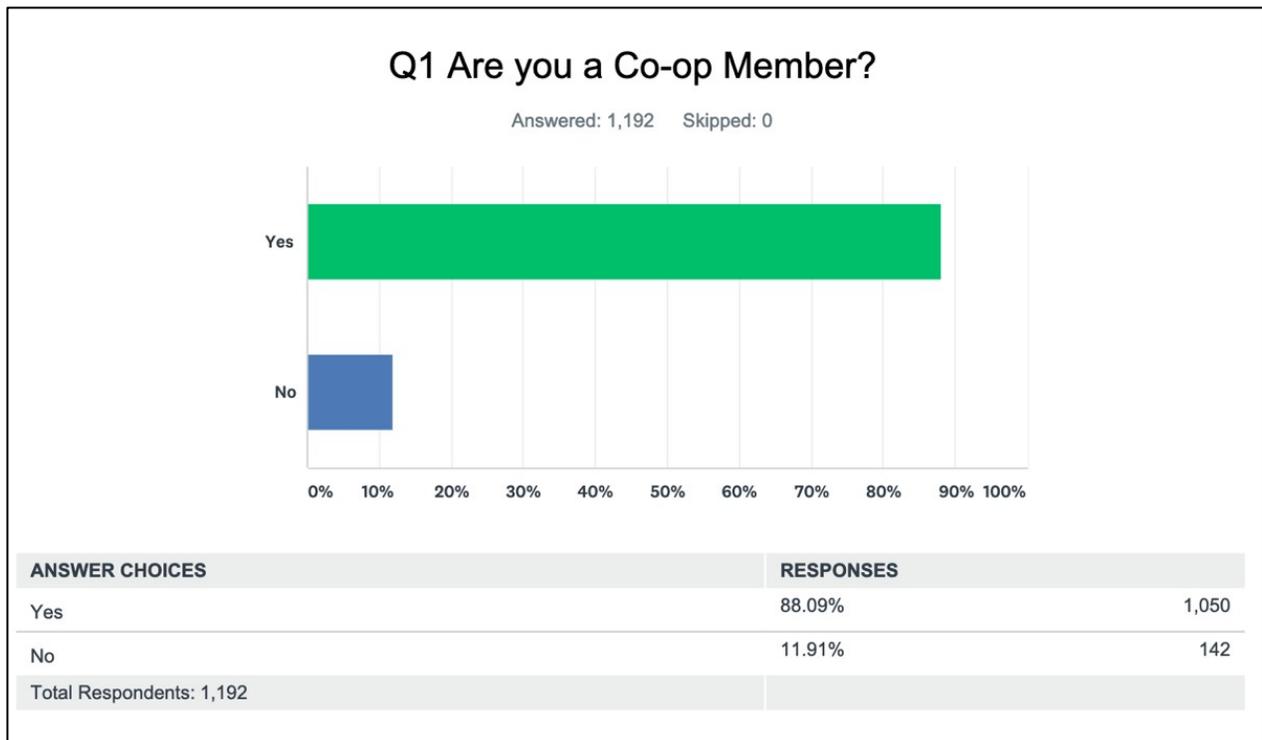
The feedback below should be considered in the context in which it was collected. In seeking member feedback, the Waste Reduction committee (with excellent support from the Member Services department) sought to balance cost and timeliness with the desire to reach as many members as

² Scientist Action and Advocacy Network, “Scientific Support for a Plastic Bag Reduction Law”. Dec 4, 2017. https://scaan.net/docs/ScAAN_Bags_report.pdf. Accessed March 16, 2019.

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possible. While attempts were made to make large numbers of members aware of the survey, it is likely that a majority of members were not aware the survey was happening. Due to technical limitations, it would have been possible for respondents to claim to be members when they are not. It is possible that multiple respondents from a single household/membership completed the survey. Despite these challenges (which it may be possible to remedy in future member engagement efforts), the committee believes the feedback below offers a useful glimpse into the complex views of our diverse membership on the issue of plastic bags at the Co-op.

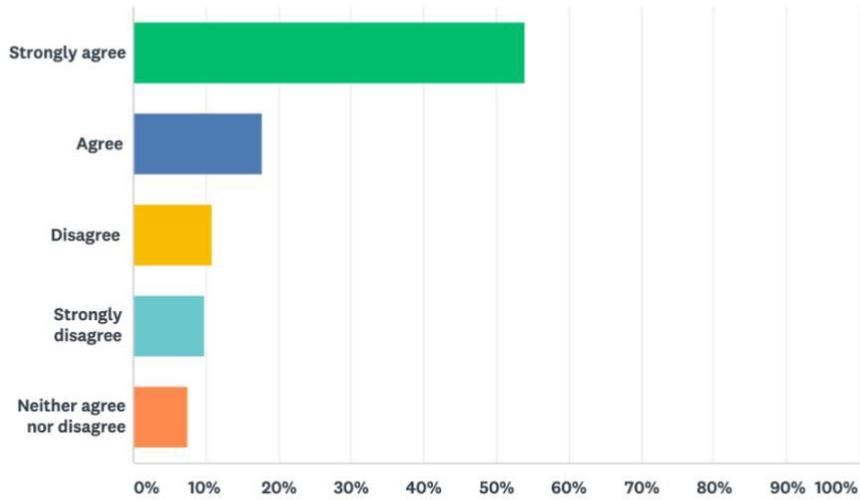
Please see Appendix E for a selection of member comments. Board members may also request a copy of the full set of member comments from the chair of the Waste Reduction committee; full member comments have not been included in this report due to the length and repetitiveness of the document, and because some respondents included personal and identifying information.



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Q3 Please rate your level of agreement with the following statement: "The Co-op should stop making plastic bags available in the checkout line."

Answered: 1,027 Skipped: 165

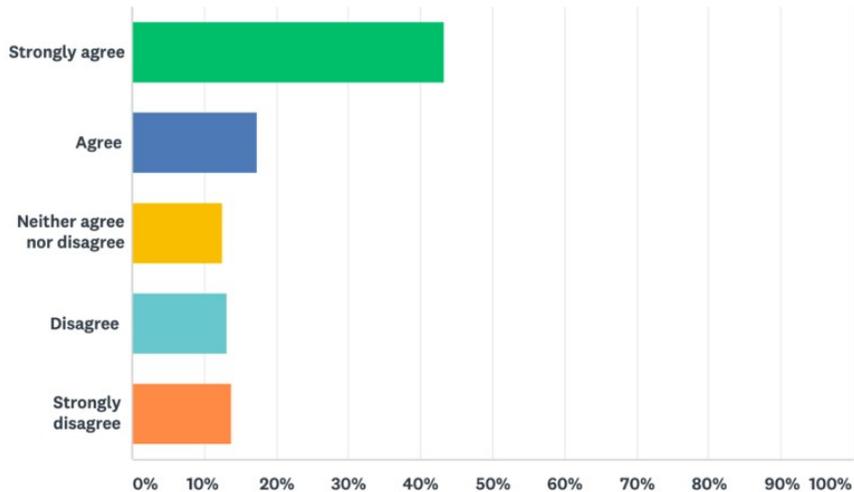


ANSWER CHOICES	RESPONSES	
Strongly agree	54.04%	555
Agree	17.72%	182
Disagree	10.91%	112
Strongly disagree	9.83%	101
Neither agree nor disagree	7.50%	77
TOTAL		1,027

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Q4 Please rate your level of agreement with the following statement: "The Co-op should charge a fee for plastic bags at checkout."

Answered: 1,027 Skipped: 165



ANSWER CHOICES	RESPONSES	
Strongly agree	43.23%	444
Agree	17.33%	178
Neither agree nor disagree	12.46%	128
Disagree	13.15%	135
Strongly disagree	13.83%	142
TOTAL		1,027

Q5 If the Co-op stopped providing plastic bags at checkout, how likely would you be to do the following?

Answered: 1,023 Skipped: 169

	EXTREMELY LIKELY	SOMEWHAT LIKELY	NEUTRAL	SOMEWHAT UNLIKELY	EXTREMELY UNLIKELY	TOTAL
Shop less at the Co-op	5.08% 49	3.73% 36	10.37% 100	3.63% 35	77.18% 744	964
Shop more at the Co-op	20.86% 198	9.91% 94	45.10% 428	5.16% 49	18.97% 180	949
Bring my own reusable bags when I shop at the Co-op	77.23% 770	8.93% 89	7.12% 71	2.41% 24	4.31% 43	997
Request paper bags when I shop at the Co-op	24.92% 242	22.97% 223	20.19% 196	12.98% 126	18.95% 184	971

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Q6 If the Co-op started charging a fee for plastic bags at checkout, how likely would you be to do the following?

Answered: 1,023 Skipped: 169

	EXTREMELY LIKELY	SOMEWHAT LIKELY	NEUTRAL	SOMEWHAT UNLIKELY	EXTREMELY UNLIKELY	TOTAL
Shop less at the Co-op	5.30% 51	4.98% 48	14.23% 137	4.88% 47	70.61% 680	963
Shop more at the Co-op	15.33% 145	6.66% 63	48.63% 460	6.45% 61	22.94% 217	946
Bring my own reusable bags when I shop at the Co-op	75.30% 753	9.50% 95	9.00% 90	2.10% 21	4.10% 41	1,000
Request paper bags when I shop at the Co-op	24.28% 235	22.42% 217	23.14% 224	12.29% 119	17.87% 173	968

Opportunities for Education & Action

Members provided lots of ideas for education and action relating to the topic of plastics at the Co-op. The following are some of the most common suggestions or concerns:

- Many comments brought up the fact that single-use plastics are used across departments at the Co-op (not just at checkout) and asked for action in these areas.
- Several respondents suggested creating a “take a bag, leave a bag” station near checkout, where customers who didn’t have reusable bags with them could use bags left by customers with an excess of bags.
- Some respondents suggested that the Co-op have a spot near checkout for cardboard boxes that could be reused instead of bags, similar to programs at BJ’s or Sterns Produce.
- A popular suggestion was that the Co-op offer free reusable bags to members during a transition period to charging or eliminating plastic bags at checkout.
- The ability to purchase reusable bags easily at checkout was cited as a convenience (and effective marketing tactic) at Hannaford’s and other grocery stores. Several members asked that the Co-op offer a similar solution at checkout.
- Several members asked that the Co-op offer recycling stations for bags, similar to stations offered by Hannaford’s and other grocery stores in the Upper Valley.
- Many respondents wrote comments that included beliefs about the effectiveness of fees or refunds for bags that are not generally supported by the evidence available; this could be an opportunity for education.
- Elderly members, those with small children, and those who walk to the Co-op are among the groups that seem to benefit from the availability of bags with handles.
- Members cited concerns about fees for bags that might be too high (and hurt lower income shoppers) or too low (and fail to provide an incentive for behavioral change). Some members raised the possibility of eliminating possible bag fees for EBT/SNAP customers.

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Appendices

A. VT bill H.74

Full text available at:

<https://legislature.vermont.gov/Documents/2020/Docs/BILLS/H-0074/H-0074%20As%20Introduced.pdf>

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B. Left intentionally blank.

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C. Tom Battles' conversations with area social services and non-profits.

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D. Member survey form

Co-op Board of Directors Questionnaire: Plastic Bags 2019

Some members have expressed a desire for the Co-op to stop making plastic bags available to Co-op shoppers at checkout. The Board of Directors is studying this topic and would like to hear from as many members as possible about their preferences. Thank you for taking the time to share your thoughts.

Member Information:

Name: _____ Member Number (If Applicable): _____

Questions:

1) Please rate your level of agreement with the following statement:

"The Co-op should stop making plastic bags available in the checkout line."

Strongly Agree Agree Neither Agree Nor Disagree Disagree Strongly Disagree

2) Please rate your level of agreement with the following statement:

"The Co-op should charge a fee for plastic bags at checkout."

Strongly Agree Agree Neither Agree Nor Disagree Disagree Strongly Disagree

3) If the Co-op stopped providing plastic bags at checkout, how likely would you be to do the following?

	Extremely Likely	Somewhat Likely	Neutral	Somewhat Unlikely	Extremely Unlikely
Shop Less at the Co-op	<input type="checkbox"/>				
Shop More at the Co-op	<input type="checkbox"/>				
Bring my Own Reusable Bags When I Shop at the Co-op	<input type="checkbox"/>				
Request Paper Bags When I Shop at the Co-op	<input type="checkbox"/>				

4) If the Co-op started charging a fee for plastic bags at checkout, how likely would you be to do the following?

	Extremely Likely	Somewhat Likely	Neutral	Somewhat Unlikely	Extremely Unlikely
Shop Less at the Co-op	<input type="checkbox"/>				
Shop More at the Co-op	<input type="checkbox"/>				
Bring my Own Reusable Bags When I Shop at the Co-op	<input type="checkbox"/>				
Request Paper Bags When I Shop at the Co-op	<input type="checkbox"/>				

>> Please Share any Additional Comments on the Back of this Paper <<

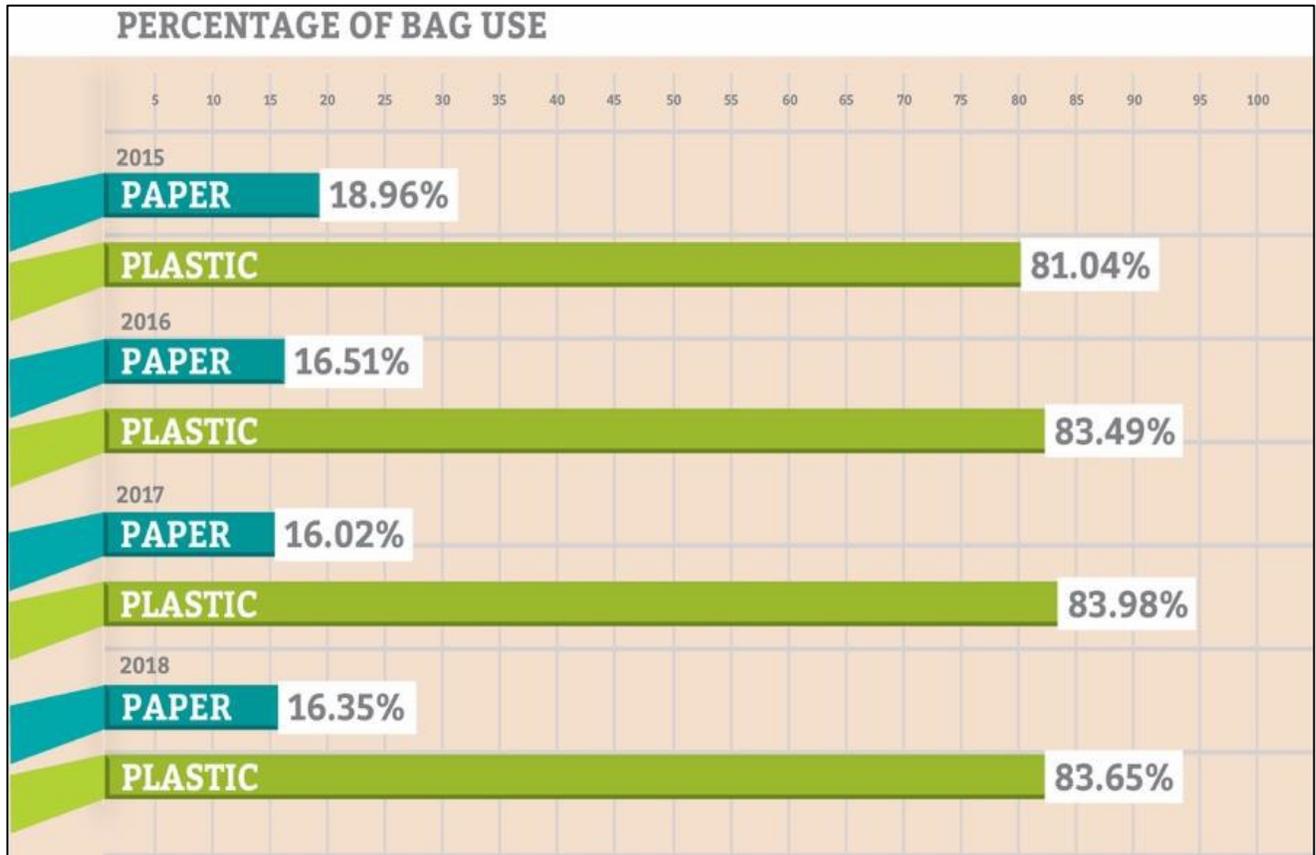
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E. Co-op paper & plastic bag stats, from Ed Fox

		2015	2016	2017	2018
Totals:					
	Paper	260,000	248,400	234,400	242,800
	Plastic	1,111,000	1,256,000	1,229,000	1,242,000
	Total	1,371,000	1,504,400	1,463,400	1,484,800
% of Use:					
	Paper	18.96%	16.51%	16.02%	16.35%
	Plastic	81.04%	83.49%	83.98%	83.65%



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F. Waste Management fact sheet

Guidelines - Plastic vs Paper Bags - Waste Management Northwest

<http://www.wmnorthwest.com/guidelines/plasticvspaper.htm#>



Bags by the Numbers

Each disposable shopping bag is typically used for less than an hour.

Plastic Bag Consumption

- Year that plastic grocery bags were introduced at supermarkets¹: 1977
- Estimated number of plastic bags used each year, world-wide²: 4,000,000,000,000
- Number of plastic shopping bags used each year, in the US alone³: 14,000,000,000
- Percentage of plastic bags returned for recycling²: 1
- Annual cost to US retailers for giving away "free" bags: \$4,000,000,000
- Barrels of oil required for US annual plastic bag consumption⁴: 12,000,000
- Number of marine animals killed each year due to plastic bags⁵: 100,000
- Average number of pieces of plastic in each square mile of ocean⁶: 46,000

Paper Bag Consumption

- Number of paper bags consumed each year, in the US alone⁷: 10,000,000,000
- Number of trees cut down for paper bag consumption, in the US⁷: 14,000,000

Plastic Bags vs. Paper Bags

Plastic bag production creates less waste than paper. However, plastic bags remain with us for a long, long time.

- Percentage energy savings in making plastics bags, rather than paper bags: 40
- Percentage in air pollution reduction from making plastic bags: 50
- Percentage of waste water reduced by making plastic bags: 94
- Number of years for a plastic bag to biodegrade as litter: 20
- Number of months for a paper bag to biodegrade as litter: 1
- Estimated number of years for a plastic bag to biodegrade in a landfill: 1,000
- Number of years for a paper bag to biodegrade in a landfill: centuries

Plastic Bag Tax in Ireland

Charging for shopping bags dramatically reduces bag consumption.

- Percentage of litter in Ireland due to plastic bags, before bag tax: 5
- Percentage drop in plastic bag consumption in Ireland, after 15-cent bag tax introduced: 90
- Annual revenue generated by Irish bag tax: €10,000,000 Reduce, reuse, rejoice!
- Number of plastic bags prevented by the Irish bag tax, annually: 1,000,000,000

The choice is clear: Carry your own bag.

Sources:

1. Great Moments in Plastic Bag History. Film and Bag Federation.
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3. Sack Tax? ABC News. December 9, 2003.
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6. Keep the Sea Plastic Free-Bin It. Australian Government, Department of the Environment and Heritage.
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9. Litter Facts. City of San Jose, CA.

10. Leave No Trace. US Bureau of Land Management.
11. Irish Take Lead with Plastic Bag Levy. MSNBC. August 4, 2003.
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G. Selected Comments from Member Feedback Survey
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