

Subject: Merchandising

Date Approved/Last Revised: **August 2006**

Responsible Body: **Policy Committee**

References: **Decisions 2000: Sacramento Natural Foods Co-op Strategic Plan adopted March 2001**

Italicized text is quoted from the Sacramento Natural Foods Cooperative (SNFC) Strategic Plan, adopted by the Board of Directors in March 2001.

A definition of terms in this policy can be found in the SNFC Glossary of Terms (under development).

The Sacramento Natural Foods Cooperative, Inc. (SNFC) is a consumer-owned, natural foods retail store. *Our vision is to provide the benefits of natural foods and products, economic cooperation, and sustainable practices to as many people as possible in the communities we serve. Our purpose is to be a trusted source of natural foods and products, and a reliable resource for consumer information.*

The SNFC Merchandising Policy flows from our vision and purpose and provides standards for how we continually improve product selection to provide customers the products they want. It provides guidance for promotion and support of ecologically sound food and products. We are striving to achieve an all-organic, natural product line and a sustainable Co-op, both environmentally and economically. We want to achieve customers' trust that all products sold at SNFC meet these standards.

I. Merchandising Standards

Merchandising is the way products are chosen and presented to shoppers through display, pricing, advertising and education. The Merchandising Policy provides standards and goals for product selection, including food prepared by SNFC. It is the responsibility of all staff who make merchandising decisions, under the direction of the General Manager under the general direction of the Board of Directors, to judge products according to these standards and goals.

The Board's Policy Committee is responsible for an annual review of the Merchandising Policy and informing and advising the Board of Directors on merchandising policy issues. Merchandising priorities will be managed through a dynamic process involving communication among staff, the Board, and owners:

- Owners affect decisions by informally requesting new products, complaining about products, and/or making formal product recommendations.
- Staff affects decisions by recommending and choosing products.
- The Board affects decisions by setting policy and advising the General Manager.

Merchandising is an ongoing process of achieving these standards and goals. The following standards and goals guide the decisions of SNFC, including customer special orders.

A. Nutritional Content

SNFC's merchandising goal is to buy and sell foods and products of high nutritional value. *We endeavor to provide natural products and information about healthy choices.¹ We respect diverse opinions about what is healthy and provide a variety of educational information about nutrition and health.*

SNFC sells foods and products free from synthetic additives or processing. SNFC will not knowingly sell products containing artificial preservatives, hydrogenated oils, trans fats, artificial flavorings and coloring, antibiotics, and hormones.

¹ Information is available in the store(s) concerning what is known about nutritional differences in various fats and oils, sweeteners, flours, etc., as well as different diets, and different methods of producing and preparing foods. Given the rapidly changing information about nutrition we recognize that there is much to be learned about what is healthful and that customers want a variety of educational information and product options to achieve their vision of a healthy diet.

We strive to sell:

1. Unprocessed foods such as fresh produce, whole grains, nuts, and beans.
2. Products that are refined or processed as minimally as possible.
3. Foods that are free from genetically engineered ingredients - GEI).²
4. Products that do not contain milk or milk products from cows treated with recombinant Bovine Growth Hormone (rBGH). SNFC is committed to providing at least one third-party-certified organic product³ in each food category whenever possible. All products with an SNFC label will be certified to be manufactured using crops that have been grown without GEI and milk products from cows that have not been treated with rBGH.
4. Foods lower in fat, sweeteners,⁴ salt and common allergens in comparison to products of the same category.
5. Foods that meet the needs of special diets such as wheat-free, sugar-free, dairy-free, salt-free, and medically prescribed.
6. Foods that contain as little saturated fat as possible.

B. Environmental Impact

SNFC operates as a sustainable business. This means that SNFC employs sustainable business practices that promote both the economic well-being of the business and the environmental health of the planet. *We work toward a sustainable community and a just society* by emphasizing products that minimize packaging and by-products, and that maintain the long-range health of the global community.⁵ SNFC emphasizes products that are manufactured or grown using the most sustainable methods, including:

1. Organically grown foods and products, including animal products that do not contribute to the destruction or depletion of ecosystems or have adverse impacts on public health or environmental quality.
2. Sustainably harvested seafood that meets or exceeds standards set by independent third-party environmental monitoring organizations.
3. Unpackaged bulk products, especially alternatives to packaged foods, as well as products in reusable, recyclable, recycled and/or reduced packaging.
4. Locally produced products and products for home food processing.
5. Ethically wildcrafted herbs and medicinal plants.

C. Cooperative Business Practice and Social Responsibility

SNFC goals are to provide a broad selection of products at fair prices and to honor the earth and cultivate relationships with the communities we serve and with the broader network of farmers, suppliers, manufacturers and cooperatives. This is accomplished by offering:

1. Locally produced and cooperatively or collectively produced products.
2. Products of small businesses.

² Without federally required labeling of products containing GEI, SNFC cannot guarantee all products are GEI-free.

³ Third-party-certified organic – Certified by a third party certification organization to be grown and processed in accordance with organic industry certifying standards, as developed by the Organic Certifiers Council (OCC), the Organic Trade Association (OTA) and the International Federation of Organic Agriculture Movements (IFOAM). Such certification guarantees products are free from rBGH, GEI, synthetic additives, hormones, antibiotics, and are grown by organic methods.

⁴ Some SNFC products contain high fructose corn syrup. SNFC will provide information about the possible relationship between high fructose corn syrup and obesity, and the information that a high percentage of high fructose corn syrup contains GEI.

⁵ We look at all available research to make these merchandising choices, such as the Monterey Bay Aquarium's Seafood Watch list. As other sources are available, they will be included.

3. Products made or sold by businesses that are known to demonstrate concern and fairness for workers, consumers, and the larger community, including "Fair Trade."
4. Animal products that are raised or produced in a humane manner, using sustainable methods, for example, through free range rearing and by organic standards.
 - a. SNFC will require responsible production and processing practices for all animal products.
 - b. SNFC will not knowingly buy products from manufacturers or corporations who engage in unnatural processes such as forced molting for egg production.
5. Honest display of products:
 - a. Where multiple pricing (e.g., 5/\$1.00) is used, individual items may be purchased at the same discounted price.
 - b. Items displayed at the checkout stand will not be targeted to children.
 - c. On advertised sales, the product or a reasonable substitute will be available, or a "rain check" will be issued.
 - d. Where SNFC offers product varieties that are produced under different conditions, SNFC will provide information describing the product differences when it does not appear on the product label (e.g., the various eggs sold do not all have package labeling).
6. Health and body aid products such as cosmetics, lotions, soaps, deodorants, and supplements that were not tested on animals.

II. Product Recommendations, Inquiries, and Challenges

Staff is responsible for being sensitive to recommendations about products, especially concerns by Co-op owners who question a product's presence or absence based on SNFC merchandising standards.

A product may be formally challenged or recommended in writing by any owner who believes that SNFC should discontinue, de-emphasize, or carry the product. A challenge should state that it is a formal product challenge or recommendation and demonstrate that the product does, or does not, meet the merchandising standards. Challenges should be directed to the General Manager.

Under the direction of the General Manager, the Merchandising staff shall respond in writing to the challenge or recommendation.

III. Exemptions

When no other options are available, the Board may exempt products from the standards contained within the Merchandising Policy. A list of exempted products and reasons for the exemptions shall be attached to the Merchandising Policy and shall be available at the front of the store for review by shoppers. (See Appendix A)

Appendix A: EXEMPTED (allowed) PRODUCTS

1. Dietary supplements made from meat products (e.g., glandulars and gelatin capsules) that are sold in the Health and Body Aids Department may not meet the standards in the sections of this policy regarding Nutritional Content, Environmental Impact, and Cooperative Business Practice and Social Responsibility. (Prior Board decision reconfirmed on 4/1/03.)
2. Meat products in pet foods may not meet the standards in the sections of this policy regarding Nutritional Content, Environmental Impact, and Cooperative Business Practice and Social Responsibility. At this time, SNFC can not commit to the standards for meat products in pet food products due to lack of available sources and ingredients. SNFC staff will look for every opportunity to find the best available sources for meat products in pet foods. (Prior Board decision reconfirmed on 4/1/03 and updated 11/2/04.)
3. Organic infant formula containing synthetic vitamin E used as a preservative may be sold although it does not meet the standard regarding Nutritional Content. Technology does not currently offer any other ingredient that can be used to preserve organic infant formula. Although infant formula

Board Policy

Sacramento Natural Foods Cooperative

contains natural vitamin E, DI alpha tocopherol acetate is necessary to maintain shelf life and protect naturally occurring nucleotides that offer optimum nutritional support to infants, therefore there is no organic infant formula available without synthetic vitamin E. DI alpha tocopherol acetate is not considered to be toxic. (Board decision, 8/1/06.)