

menomonie market food co-op 2021-2022 ANNUAL REPORT

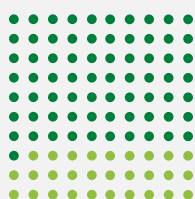
Learn how we're working towards being central to a thriving, healthy community



STRONGER CO-OP

\$6.2M

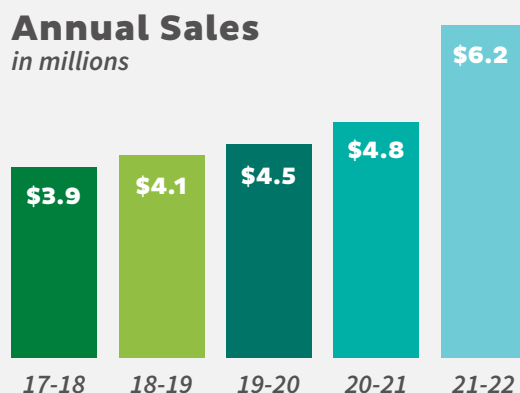
dollars in total revenue



71%
of sales come from
OWNERS

29%
of sales come from
NON-OWNERS

Annual Sales in millions



5,127

active owners
in 21-22

238

new owners
in 21-22

\$11,945

owner days
DISCOUNTS

\$19,930

total owner
DISCOUNTS

THRIVING, HEALTHY COMMUNITIES

President's Report by Rick Remington, Board of Directors President



Greetings, co-op owners! Our last fiscal year was a busy one to say the least, with little pause for reflection.

A short year ago, the boards, staff, and owners of Just Local Food Co-op and Menomonie Market Food Co-op anxiously awaited the results of the vote to decide whether our two cooperatives would merge. The vote followed a long period of exploration, deliberation, cooperation, and engagement with our owners. The result: both co-ops voted 95% in favor of merger. On October 1, 2021, we legally emerged as one cooperative—stronger together.

Our merger plan to reduce our two seven-member boards to one nine-member board occurred as planned. Aligning our new board and merged co-op meant reviewing our board policies and Ends Statement. Being one co-op and two stores located in two communities demands operational changes, but we believe what's important to our 4,500 owners remains largely the same. Our new Ends Statement proudly proclaims Menomonie Market Food Co-op will be central to thriving, healthy communities. Those few words contain a lot and epitomize our co-op's values.

Our General Manager and her team worked tirelessly to create operational consistency between our two locations, drawing upon the strengths and talents of an expanded staff and the uniqueness found within each community. What they accomplished during the pandemic, supply chain issues, and a labor shortages is no less than inspiring.

If that weren't enough for one year, another huge undertaking was in the making. Our Eau Claire location is bursting at the seams, and expansion is in the air. Our fiscal year ended with breaking news

that we secured space to expand our co-op in downtown Eau Claire. A few short weeks later, we launched our capital campaign to sell \$2,000,000 in Preferred Shares to our owners to aid in financing the construction of our new store.

The ability of our owners to invest in the future and success of our co-op is unique to our business model. Each co-op owner carries one voice and one vote. Our owners also have the ability to invest in our co-op for reasons like expansion through the purchase of Preferred Shares. The choice is ours, and we need engagement at all levels to make our next endeavor successful. We need patronage by owners and citizens, we need small investors, and we need large investors. Together, we can write our next great chapter.

Our merger took courage—courage to leave something comfortable behind and take a calculated risk on what can be better. Together we can provide healthy food and support our local farmers while creating a meaningful place of employment. Together we can have a greater impact on our communities. Together our community of owners, patrons, farmers, vendors, neighbors, friends, staff and board can create and maintain two places of business that thrive.

I want to briefly thank outgoing board members Kyle Lehman and Sarah Paquette for their service over this monumental year. They have earned their place in our co-op's history. I also want to thank the staff at both stores, as the lead up to merger and much of the work afterwards fell squarely on their shoulders. We have an amazing team, some seasoned and some new. Please thank them when you get the chance! And nobody has worked harder this year than Crystal Halvorson, our General Manager. Our cooperative is very lucky to have her. Lastly, on behalf of the board of directors, I want to thank you, our owners, for your confidence, trust, patronage, and friendship. We're in this together.

GETTING BACK OUT THERE

Community Outreach Report by Becca Schoenborn, Outreach & Education Coordinator



Community outreach came back full swing in 2021 and 2022, and it has been fun being out at events in both Menomonie and Eau Claire again. Since last summer, we have connected with our shoppers and community members at events in both cities, explored ways to bring some of our popular community classes back, and revived our demo program to offer samples while you shop.

A few of our favorite events that we sponsored or participated in were Pride in Phoenix Park in downtown Eau Claire, the University of Wisconsin-Stout Wellness Fair in Menomonie, Chippewa Valley Volkswagen Club's Car Show in Eau Claire, and the Earth Week Challenge Pollinator Run at Beaver Creek Reserve in Fall Creek.



STRONGER COMMUNITY

Local Giving	\$7,170
Food Donated	29,560 lbs
Vendors Visited	4

\$8,900
total amount
**ROUNDED UP AT
THE REGISTER**
in 21-22

2

unique learning
opportunities

18

community
events attended

6¢ average amount rounded
UP AT THE REGISTER

\$2K total granted to local
NON-PROFITS

\$4.3K total double dollars
DISTRIBUTED

INCREASING SUPPORT FOR LOCAL

Local Supplier Report by Becca Schoenborn, Outreach & Education Coordinator



This past year, we continued to increase our support for local suppliers by putting more focus on sourcing from them in all departments, especially our deli. We also welcomed our farmers and producers back into the store to meet customers at various events, such as Local Fest in September, Holiday Hoopla in December, and Community-Supported Agriculture Fair in March. We were excited to have participated in the Co-op Farm Tour for the first time this July as well. This event is hosted by food co-ops in the Twin Cities and western Wisconsin and is focused on inviting the community to visit and tour select farms in the area. Our staff had a great time volunteering at Racing Heart Farm and Bull Brook Farm.

EXTRAORDINARY EMPLOYEES IN EXTRAORDINARY TIMES

Staff Report by Amy Lueck, Administrative Services Manager



I don't believe anyone could deny that the last three or four years have been anywhere close to "normal" in any sense. Not only have we endured a worldwide pandemic, we have faced political and cultural upheavals, supply chain issues, housing and child care scarcities, inflation, and turbulent world pressures. Everyone has taken on an extra mantle of caregiver, teacher, nurse, or other role that wasn't planned for. Nearly every piece of our lives have been touched and this includes our work lives at the co-op.

The beauty of these tough times is that we have dug deep into ourselves and our communities to find strength, resource, resiliency, and talents that many of us never knew we had. The staff at Menomonie Market is a shining example of how the face of challenge makes us stronger together as we move into the "new normal."

I deeply believe that the trying times of the last few years have made people, especially our employees, search for the deeper humanity in our lives. The Great Resignation has shown us that people truly want to work at the co-op because of the culture they find there, the deep roots in the community, the owners, the shoppers, and each other. If you walk through either store on any given day you will see our staff supporting each other, connecting with suppliers, and partnering with our

shoppers in a meaningful way.

In tangible ways over the past year, staff have used technology to better communicate with each other, our farmers and suppliers, and our customers. We are working on reconnecting in the classrooms with staff education sessions, an expanded orientation and onboarding program, cross training, and education outside the co-op. Our staff have been able to re-enter the world of conferences to reconnect with colleagues from across the country and to dive deeper into the human experience of food and culture intertwining to create a deeper connection between all of us. Management at MMFC are meet-

ing regularly to discuss best practices and brainstorm how to carry these ideals into the new year and expansion. DEI (Diversity, Equity, and Inclusion) courses through nationally recognized champions of these areas have been offered to staff on all levels.

It has been and continues to be a new world of unknowns and tentative plans. Our staff has evolved and strengthened its connection to each other and our commitment to our Ends Statement. As we look

forward to expansion, this base of culture, stability, and balance will become invaluable as our team grows and the positive impact on the community continues to be fulfilled.



STRONGER EMPLOYEES



of Full-Time Staff 30
(30+ Hours Per Week)

of Part-Time Staff 21
(20-30 Hours Per Week)

Total Staff 41

75%
of Staff

earn livable wages
within one year

80%
of Staff

are eligible for
health benefits

\$66,705 total employee
DISCOUNTS

In the past year,
these percentages
of MMFC
staff:

30%
received
crosstraining

30%
received external
education

33%
were on
a team

100%
received
internal education

CONSOLIDATED OPERATIONS

General Manager's Report by Crystal Halvorson, General Manager

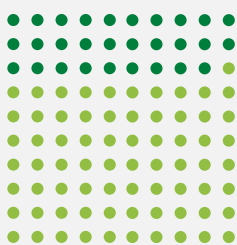


In preparation for this article, I looked back at our operational plan as presented to owners contemplating the question of whether or not our co-ops should merge. We did pretty good doing what we said we would! Our finances and bookkeeping systems have been accurately merged; we purchased and installed new point of sale equipment in Eau Claire so that product and owner data lives in one system; we have cleaned up massive amounts of product data in order to keep our online ordering system accurate and to push our lowest retail pricing across both locations; and we have aligned personnel policies and standard operating procedures. Perhaps more importantly, we have gotten to know each other, and we are learning how to communicate well and benefit from a larger number of viewpoints and ideas—exciting work!

The stores are so different; the small store in Eau Claire doesn't have room to bring you everything you want, but everything has its place, and the hard-working staff do a fantastic job not letting the pressures of not enough space show. We are operationally in a bit

of a holding pattern on Farwell Street, as we hold off improvements and focus our attention and budget on the store to come on South Barstow Street. In Menomonie, we have plenty of space. And again that has its advantages and disadvantages. We are finally after many years, growing into the size and customer numbers that help our store feel busy and full. The changing shopping patterns of our customers as we experience pandemic, shutdowns, supply issues, and now inflation continue to impact our larger store more, and we continue to reinvent ourselves to put the best shopping experience in front of you. When we were growing the store in Menomonie, the staff and board of Directors knew that in order to make it work, we would have a few years of less community giving and extra programs to meet our Ends—every penny would have to be held to ensure our expansion was a success. This time around, we have the advantage of two locations, and the ability to weather those lean years so much better. Our giving programs (Fund Our Foodshed, Double Dollars, Cooperative Community Fund, and donations) are stronger than ever, and they will be growing right along with our growth in Eau Claire.

STRONGER LOCAL SUPPLIERS



29%
average percent of
local products in each
department

15
Demos
by our
local producers

38%
of Sales
come from
local products

\$2.3M
total sales from
local products
in 21-22

Fund Our Foodshed Grant Program: \$12,500 granted to farmers

3 grants distributed

3 projects funded

WHAT'S NEXT FOR OUR CO-OP?

Now that it's already been seven years at our Menomonie location, we are getting ready for some small improvement projects to bring operations and equipment up to date. Watch for fun additions and changes to bulk, deli, our front end, and outdoors as well! We are also plowing ahead with our Five Year Vision goals, which include a \$15 starting wage, more staff benefits, more local food in our deli, increased community giving, and a refocus on sustainability as we see the pandemic ending. Of course, we are also focused on a very big project in Eau Claire, and over the next year, we will see a new home for cooperators rise at the corner of Galloway and South Barstow Streets. All of this is possible because of the patronage of our owners and shoppers.



THE CHIPPEWA VALLEY'S COMMUNITY-OWNED GROCER WITH LOCATIONS IN MENOMONIE & EAU CLAIRE

menomonie market food co-op 2021-2022 FINANCIAL REPORT

View our financial performance from the previous year



SETTLING IN AFTER TWO UNPREDICTABLE YEARS

by Crystal Halvorson, General Manager



It was a wild year for accounting at Menomonie Market Food Co-op! We are coming off of 2 ½ years of unpredictable sales levels and impossible budgets with the swings of a pandemic and the economic and logistics issues stemming from it. Part of the last year was spent managing two separate sets of books as Menomonie Market Food Co-op and Just Local Food Co-op moved towards merger, then we had the detailed, fun work of merging those books into one set. Overall, our co-op achieved sales growth of 30.4%, through growth at both stores and merger itself.

In February, we experienced something we have been waiting seven years for: the unwinding of our New Markets Tax Credit financing package from our Menomonie store's expansion in 2015. Both the merger and the unwind resulted in income to the co-op. In the case of the former, we recognized the assets, mostly cash, combining between

our two operations. In the case of the New Markets Tax Credit, we were able to dismiss \$5,000,000 worth of debt on our balance sheet, and we recognized the \$1,100,000 that represents the cash we received from the deal in 2015 to build the store. All of this income is offset by seven years of depreciation on our new building, land, and equipment, and the operational losses we had for the first several years after expansion. It all evened out in the end, and this puts us in a great cash position to do it all over again in Eau Claire.

In the year to come, we will begin repurchasing the Class C shares sold in 2014 for those owners who are ready to recover their investment, as we also get set to collect the \$1,500,000 in Preferred Shares sold this year to fund our new store in Eau Claire. The equity on our books is the best part of our balance sheet—5,000 people coming together, giving what they can to be a part of something big.

