

menomonie market food co-op 2022-2023 ANNUAL REPORT

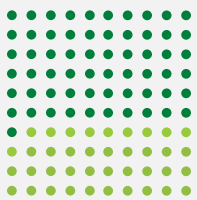
Learn how we're working towards being central to a thriving, healthy community



STRONGER CO-OP

\$6.7M

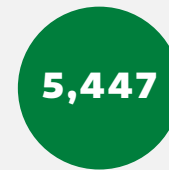
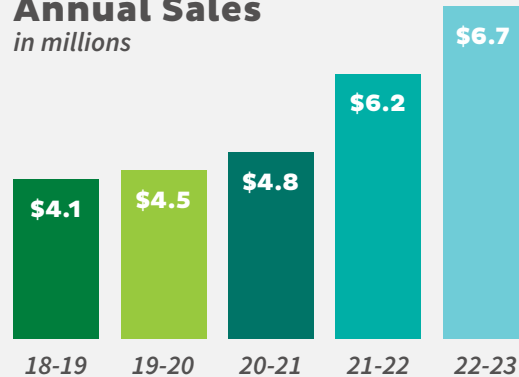
dollars in total revenue



61%
of sales come from
OWNERS

39%
of sales come from
NON-OWNERS

Annual Sales in millions



5,447
active owners
in 22-23



320
new owners
in 22-23

\$15,196

owner days
DISCOUNTS

\$27,834

total owner
DISCOUNTS

EXPANDING OUR CO-OP, INCREASING OUR IMPACT

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



Greetings, Menomonie Market Food Co-op owners, partners, and friends. Another year has flown by showing continued success and progress for our cooperative. The beginning of our fiscal year found the board, staff, and volunteers deeply involved in a capital campaign.

Raising two million dollars from dedicated Menomonie Market Food Co-op owners across the Chippewa Valley was a heavy lift, but you came through. This was a critical step in securing additional financing for our expansion. A few short months later, we broke ground in downtown Eau Claire.

For the remainder of the fiscal year, three stores would go through transformation. Our small Eau Claire store was bursting at the seams while employees eagerly prepared for a move and larger operation. Our Menomonie location maintained its stable and prominent location in the community while its staff prepared for a larger presence, more impact, and increased sales of a bigger sister store. And finally, the new store rose from a level, dirt-covered city block to become a beautiful building that proudly bears our name and colors.

Serving on the board of directors during an expansion feels like being an overprotective parent—wanting to help, wanting to do more. But the most important thing we could do is maintain a strong and steady presence, adhere to our own governance practices, support our General Manager, and represent our owners. I am ever thankful to our board members in how we approached decisions: thoughtfully, without drama, in the interest of our owners and our cooperative. Board stability during an expansion is critical, and we have had it.

As I write this, we are a few short days from opening the doors to

our new location. I find myself thinking about the changes when we expanded the Menomonie store, the excitement of the new building, reminiscing about the old store, the smiles, handshakes and hugs from old friends, and the many new faces. I feel the same sense of excitement and anticipation for our new location and await those familiar feelings again. Thinking about our cooperative and its two locations and the differences in our communities as well as all the smaller communities we serve, I know it's not the bricks and mortar that makes a co-op what it is. It's the people.

Co-op owners are a diverse community of people who share a similar collection of values. We are not the same, but we have an interest and a belief in our Ends—Being Central to Thriving, Healthy Communities. Whether we have one, two, or ten shopping locations, our owners and patrons can expect to find local access to healthy choices for physical, social, and environmental needs. By building a new store, Menomonie Market Food Co-op is able to support more local farmers, grow the cooperative presence in the Chippewa Valley, increase the number of owners and their ownership investment, and expand the number of people we can employ. We are not growing for the sake of growth. We are growing to further our Ends and to have a greater positive impact in our communities.

I close by thanking all the people who made the last year of our co-op a success, including our owners, patrons, farmers, employees, and partners across the cooperative food industry. As we approach our 50th year in business, I look forward to all the smiling faces of the people who make our co-op what it is now—with friendship, partnership, and gratitude.

IMMERSING IN OUR COMMUNITIES

Community Outreach Report by Becca Schoenborn, Outreach & Education Coordinator



This past year was the busiest yet when it comes to community outreach. We participated in some of our annual favorites, such as The Great Community Cookout and Chippewa Valley Volkswagen Club Car Show, but we also added new events to our roster with the Eau Claire Fall Festival and North Hill Spring Market. We experimented with selling co-op merchandise at a few events and had fun talking up the new Barstow Street store opening, too.

In addition to participating in events, we welcomed new vendors into our stores for product samplings, visited last year's Fund Our Foodshed Grant winners to see how their projects turned out, and did countless presentations and tours to community groups.



PICTURED: MARKETING AT NORTH HILLS SPRING MARKET

STRONGER COMMUNITY

Local Giving	\$6,750
Food Donated	13,845 lbs
Vendors Visited	8

\$33K
total amount
**ROUNDED UP AT
THE REGISTER**
in 22-23

12
unique learning
opportunities

18
community
events attended

40¢ average amount rounded
UP AT THE REGISTER

\$2K total granted to local
NON-PROFITS

\$4.8K total double dollars
DISTRIBUTED

SUPPORTING THE LOCALS

Local Supplier Report by Becca Schoenborn, Outreach & Education Coordinator



PICTURED: CHICKENS AT CEDAR BEE FARM



There was no shortage of new local suppliers welcomed into our co-op this year in every department. We invited dozens of our local farmers and producers into the stores to share their products with customers through store events like the Holiday Hoopla and general product demos throughout the year.

Some of the staff and shopper favorites were Bohemian Ovens kolaches and Rising Bread's delicious sourdough loaves. The Marketing team was also lucky enough to visit three local producers to see all of the work that goes into supplying food to our community, and we especially enjoyed meeting all of their farm animals!

EXPANDING OUR COMMITMENT TO YOU & EACH OTHER

Staff Report by Karen Mischel, Administrative Services Manager



One of the truly great things about being on the HR side of things here at the co-op is getting to work with all the staff. When I joined the co-op less than a year ago, the expansion was well under way, and the challenge of getting us ready to open the doors with enough staff hired for a substantially larger store seemed a bit daunting. Luckily, we already had solid teams in place that were committed to the culture and stability they had already created together. Their care for each other and passion for what they do was something I had not seen in the workplace before. The goal now was doubling our staff numbers with people who embodied that same passion and care while still supporting the people who have gotten us to where we are.

Early in the year, the Development Team finalized the organizational chart that would be used to carry us forward with a focus on how best to support our staff, as well as our customers, in a growing organization. It started with hiring two new store managers and a training manager. These positions are new to our organization and have been instrumental in the onboarding of new employees in both stores. Looking forward, our new organizational chart supports the continuing training of employees who have been here along the way. When we advertised that we were hiring, the response was

remarkable! What was most notable to me was how many people wanted to work for the co-op because of how the staff makes them feel when they shop at our stores, or because they heard it is a wonderful place to work and want to feel valued at their job. As the hirings ramped up, the excitement grew over the team we had assembled. The weeks leading up to opening the store on North Barstow Street in Eau Claire were exhausting for everyone there, but it did not show once the doors opened, and that energy has continued in the weeks that have followed.

What we can't forget with all the excitement over the new store is that the folks in Menomonie have stayed the course through some big changes with staff and the focus on the Eau Claire location. It has been their unwavering commitment to each other and their co-op community that has helped lead us to where we are. With a focus on strengthening our connection to each other, we have implemented easier ways of communicating throughout both locations. We may be busy, but we are united in our support of each



PICTURED: STAFF ON OUR FINAL DAY ON FARWELL STREET

other and our Ends Statement.

The future is bright with our staff, now over double what it was just four months ago. We can't wait for you to get to know our entire team!

STRONGER EMPLOYEES



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

of Part-Time Staff 18
(20-30 Hours Per Week)

Total Staff 48



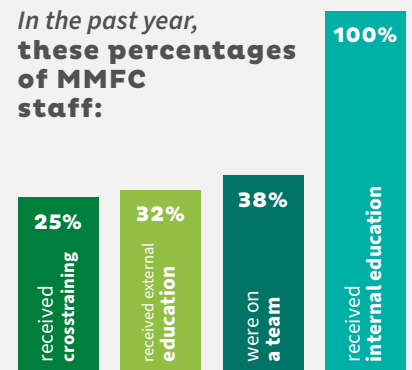
earn livable wages
within one year



are eligible for
health benefits

\$65,390 total employee
DISCOUNTS

In the past year,
these percentages
of MMFC
staff:



WE DID IT

General Manager's Report by Crystal Halvorson, General Manager



This year's Annual Owner Meeting marks our first gathering in our new Eau Claire store's new home.

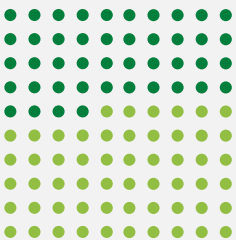
One year ago, we held a groundbreaking ceremony in the cold rain with just a parking lot and a microphone. Exactly one year later to the day, our ribbon-cutting attracted several hundred friends and neighbors on a beautiful sunny day. We have re-established something missing in our community for a generation: a small, independent, locally owned grocery store that serves the heart of downtown. Now, among all the large corporate grocery chains, you have an alternative, and we are thrilled that the alternative is us.

The group effort that went into our physical project was stellar. It starts with our owners, who showed patience and support throughout the year while we stretched at both locations. Owners put up two million dollars to make this project happen, and that grassroots support made it possible for the co-op to own its property and develop its forever home. Bremer Bank was there for us when we expanded in 2015 and has been here for us again today with our main bank loan. We also received support from the city of Eau Claire that puts our co-op in a stable financial position.

We chose River Valley Architects to design a building that met our needs, and they delivered a gorgeous space. Market & Johnson kept us on time and on budget, advocated for me and the co-op when necessary, and turned a set of plans on paper into a true home for us. We also received lots of help from the National Co+op Grocers and staff from many area co-ops, as well as our new and growing staff who were hired in for opening day.

Expansion, construction, and the months after opening are the most stressful times in the life cycle of an organization, and we were immune to the stress that places on our staff. Although our turnover rate was far lower than our industry during the pandemic, we have experienced more turnover this year, including in key positions. The ambiguity and intensity of the last year was hard on all staff, and whether they moved on or stuck it out with us, we owe gratitude and respect to the collective effort it takes to negotiate big audacious work in a community. The crew that serves co-op customers is special—they are bright, hard-working, creative, dedicated, and kind, and right now, they are both exhausted and energized. We will all learn as we go how to run two stores and take care of each other while doing it. One thing is certain: we will have the support of our wonderful base of owners, who are the best customers in the world.

STRONGER LOCAL SUPPLIERS



44%

average percent of local products in each department



by our local producers



come from local products

\$2.5M

total sales from local products in 22-23

Fund Our Foodshed Grant Program: **\$15,000** granted to farmers

3 grants distributed

3 projects funded

NOW WHAT?

What's ahead for our co-op? This year will be the first stretch of time since 2019 that we have not been involved in collaboration talks, the pandemic, and all the innovation and stress that came with it: negotiating a merger, merging operations, acquiring real estate, negotiating financing, facilitating our Preferred Shares Campaign, working on store design plans, and constructing our new building. Now we find ourselves as one strong co-op with two beautiful locations and over 5,000 owners. We are looking forward to running these stores and building relationships with our customers, staff, and vendors. It might sound like a slowdown, but it's the important work that comes after four years of almost too much excitement! Now we focus on groceries, people, and our community.



PICTURED: BARSTOW STREET OPENING DAY

menomonie market food co-op 2022-2023 FINANCIAL REPORT



View our financial performance from the previous year



By Crystal Halvorson, General Manager

All of this audacious growth and change has made our finances topsy turvy, especially after being mid-construction at the end of the fiscal year. This was our first full year as a merged operation, so we saw good sales growth and a bigger net worth. Due to our announced expansion, we also saw a giant leap in owner equity. This is due to people joining the co-op and our successful preferred shares campaign. Our individual owners collectively have \$3.1M invested in our co-op and its future.

Our net income was healthy, but we should expect that to dip into the negative for a few years after opening our new store, just as it did in 2015. Our operational expenses remained steady, although we did see increased labor, as well as administrative and marketing costs that we deployed to build our new store. In the years that follow, these expenses will be realized by increased sales because we are open for business on Barstow Street.

The finances of our project are still wrapping up, but our total project cost will be near \$9.2M. We are still drawing on our main loan to cover expansion expenses. We are still accepting Preferred Shares purchases from owners. And we are assessing opportunities for a New Markets Tax Credit Allocation as we did in 2014. Over the last year, we contacted every owner that purchased shares back in 2013-2015 to see whether they wanted to remain invested or have their shares purchased back. Most owners have remained invested, and we are making payments to the others while protecting the co-op's cash flow.

With fewer unknowns ahead of us, we can finally settle into traditional, annual business planning and budgeting—something sorely missed since the pandemic began. Our main goals will be to manage cash flow and return the co-op to profitability. Because our project in Eau Claire was on time and on budget, we also have the opportunity to make some capital investments in the Menomonie store; how fun to think what those should be!

