



2021 ANNUAL REPORT



Grow the Good



**BY GENERAL MANAGER
NATE FURLER**

The world presses to move on from the pandemic while we're reminded daily (sometimes hourly) it still very much exists. It's an annoying gremlin sitting there and getting its licks in just when you think it has gone away.

And that's just the virus itself. The repercussions of what has taken place are ongoing and continue no matter how much we are ready to be done with this all. We are challenged anew each day. And each day your Co-op staff show up.

I began this role as General Manager Friday, Jan. 1, 2021. I had been employed at the Co-op in several roles prior to that - with the most recent being the marketing manager for over ten years. Nothing could have prepared any of us for what we now know a pandemic brings to the table. The last year is honestly a blur.

We chose to close our doors mid-March through May in 2020 as the pandemic initially flared. At that time we secured COVID-19 relief funding to help ensure our workforce would continue to be employed by us. These funds were immediately utilized to provide extra temporary pay for our staff during the early months of the pandemic. Our hard-working staff benefited from these funds, but we were not able to recover our cash reserves as we had hoped by the end of the year.

Fortunately, we qualified for a second round of COVID-19 relief funding - which we received in early 2021. Management of these funds, in addition to careful management of our labor and other expenses, meant we were able to rebuild our cash reserves to the desired position.

At the same time we rebuilt cash, we moved forward with permanent wage increases for existing and incoming staff. We made wage adjustments three times since the start of 2021 and we continue to



make plans for additional sustainable wage growth as well as other benefits. Our staff deserves respectful compensation in return for their hard work and dedication.

The Co-op is not immune to the struggles of the job market. 2021 didn't start off great (we were down 39 employees) and it certainly did not improve for us. We ended 2021 with 37 staff members - the majority of which are part-time. Though the number of bodies stayed relatively unchanged, the available hours dropped dramatically due to those bodies only being available part-time hours. This forced us to reduce hours from 8 a.m. - 8 p.m. to 9 a.m. - 7 p.m. throughout the winter, and relied heavily on our ability to streamline processes, gain efficiencies, cut out what wasn't absolutely necessary, and in some instances draw on the willingness of staff to sacrifice more than would be reasonably expected. From long hours and shifting schedules to doing split shifts (and sometimes even open-to-close shifts), staff bent to keep the store open. I am sincerely grateful for their sacrifices and urge you to offer your thanks to staff when you see us in the aisles. A sincere and simple "thank you" is a small way to make our work days better.

As 2022 rolls forward, we continue to strategically plan for the future of this organization. We strive to hold onto the legacy of the past, while charting a sustainable path ahead that will ensure an organization such as this exists for generations to come. We are here to grow the good. And that "good" is as simple as a friendly smile in the aisle or buying local when you can, to as complex as volunteering your time to serve on the board to help chart the path forward for our cooperative organization. Every choice you make matters. Every dollar you spend at the Co-op is magnified. Not for the sake of growth and profits - for the sake of the "good" it multiplies. Let's grow the good - together.

Your GM, Nate





LETTER FROM THE ONEOTA CO-OP BOARD OF DIRECTORS PRESIDENT SCOTT TIMM

Dear Member/Owners of the Oneota Community Co-op,

If I were to sum up the prior couple of years as “action-packed,” I would characterize 2021 and the last few months as “deep reflection.” After we hired our new General Manager (GM), a lot of our time was spent getting to know Nate better and thinking about the future vision for the Oneota Community Co-op Board and Co-op. We looked at our “Organizational Ends” and made adjustments, keeping our Mission the same. In the fall we began meeting monthly using a facilitated, thorough, consensus-driven strategic planning process. After 16 hours of thinking about who we are, our current reality, creating a practical vision and identifying barriers to that vision, we’ve identified four strategic directions for us to work on:

- Building an engaged and informed board.
- Contributing to a fulfilling and engaging workplace.
- Improving Co-op resiliency.
- Reviving an engaged membership.

I see a lot of “engagement” in our intentions, and I am excited to work with this committed group of people to realize this vision. As we welcome two new board members and their fresh perspectives, we will hold a board retreat and map out an action plan to address our strategic directions. We have had a lot of discussion about our board processes and have improved, streamlined, clarified and made adjustments where necessary. We see our work to better the board as an investment for future member-owners who will serve. I am really thankful for all of the diligent reflection and brainpower the current board has put in this last year and I am very excited to lay out a work plan for the years ahead.

In our planning process we included staff members Niki, Nicole and GM Nate - and we are all grateful for their incredible insight and hard work. As Nate and two members of his Leadership Team went through this process, the Board was grounded in the realities of the day-to-day operation of our Co-op. It needs to be shouted, far and wide, that these folks are working incredibly hard and have pushed through staffing challenges that have never come up before. Managers and staff have stepped up with

long hours and hard work to keep your co-op operating as normally as possible. We are so very, very fortunate to have their leadership and brains at the helm. Nate is doing a remarkable job as the GM. We are lucky to have him.

As we continue to move forward as a cooperative, make sure you take the time to share kind words and gratitude for all those who work at our favorite place to shop. It is easy to forget how hard each and every staff member at the Co-op is working to provide us with local, organic, responsibly-sourced products. We look forward to welcoming our new and returning board members, and we hope that we will be able to hold an in-person event in the near future to show our thanks and appreciation and welcome folks properly.

In partnership,
Oneota Community Co-op Board of Directors President Scott Timm



AARON
DETTNER



BILL
IVERSON



BAILEY
LUTZ

UPDATED ORGANIZATIONAL ENDS

Because the Oneota Community Co-op exists as an institution grounded in the cooperative principles, there will be the following:

1. Our organization provides organic, local, and sustainably produced products to the greatest extent possible.
2. We support building thriving local food systems and encourage the expansion of locally grown food sources.
3. Our organization supports achieving a healthy lifestyle, and guides the community in understanding how healthy, responsibly sourced food and products benefits themselves and the planet.
4. Our organization promotes and exemplifies cooperative principles of business.
5. Our business model, financial practices, and physical facility are rooted in principles of sustainability.
6. Our employees feel valued, fairly compensated, and engaged in meaningful work.
7. Our members are diverse and engaged, working together and sharing time, energy, and resources to build a resilient and thriving local community.

Abbreviated PROFIT & LOSS

	2021	2020
SALES	\$4,920,248	\$4,594,288
Cost of Goods Sold	\$3,112,630	\$2,967,036
GROSS MARGIN	\$1,829,591	\$1,627,252
Operating Expenses:		
Personnel	\$1,116,395	\$1,242,091
Depreciation & Amortization	\$124,155	\$126,292
Facilities	\$159,135	\$142,993
Marketing	\$49,882	\$56,626
Supplies	\$43,280	\$49,627
Interest	\$35,441	\$39,852
Discounts	\$106,282	\$91,607
Patronage Dividend	\$0	\$0
Other Operating Expenses	\$162,427	\$143,032
PROFIT ON OPERATIONS	\$10,622	(\$264,868)
Non-Operating Revenues & Expenses:		
Less Board Expenses	\$22,958	\$12,643
Plus Other Revenues	\$291,494	\$242,119
EARNINGS BEFORE INCOME TAXES	\$279,158	(\$35,392)
Income Taxes	\$9,022	(\$58,727)
EARNINGS AFTER INCOME TAX	\$270,136	\$23,335

BUILDING OUR BALANCE SHEET



2021 BY THE NUMBERS

Annual Sales: \$4,917,528.10

Total number of employees: 36

Employees working 30 hours per week or more (full-time): 16

Total number of owners who have equity with us: 5,322

Percentage of sales to owners: 79.89%

Number of new owners: 94

Total owner investment: \$565,808

Total donations to our community: \$15,388.35

Sales of local product: \$1,184,075 (24% of total store sales)

Assets

	2021	2020
Cash	\$420,910	\$200,283
Other Current Assets	\$270,547	\$266,997
Other Assets	\$1,874,944	\$1,959,857
Total Assets	\$2,566,401	\$2,427,137

Liabilities

Current Liabilities	\$441,578	\$517,082
Long-Term Liabilities	\$832,276	\$901,973
Total Liabilities	\$1,273,854	\$1,419,055

Equity

Owner Shares	\$565,808	\$551,779
Preferred Stock	\$64,200	\$64,200
Retained Earnings	\$288,126	\$264,791
Retained Patronage Dividends	\$103,978	\$103,978
Net Income	\$270,136	\$23,335
Total Equity	\$1,292,249	\$1,008,083

Total Liabilities/Equity	\$2,566,103	\$2,427,137
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2021 CO-OP GIVING

By Finance Manager Niki Sanness

The Oneota Community Food Co-op (OCC) is committed to supporting the community that it serves. We believe in assisting the many organizations whose work makes our community a better place. Our donation programs are one of the many ways we strive to fulfill our Organizational Ends policy statement as well as Cooperative Principle Number Seven: Concern for Community.

In 2021 we increased our Round Up at the Register campaigns. Co-op shoppers give back thousands of additional dollars to local nonprofits through spare change donated through our Round Up events. Your Co-op has shifted to rounding up monthly, whereas prior Round Ups were conducted quarterly. This allows us to give to eight more organizations on an annual basis. This graph lists organizations your generosity supported this past year:

Round UP

Jan	Friends of Decorah Public Library	\$1,196.13
Feb	Downtown Betterment	\$1,084.91
Mar	LIFT (Lansing Iowa Food Trust)	\$1,166.86
Apr	Decorah Pride	\$1,557.38
May	Northeast Iowa Montessori	\$1,250.66
Jun	Kinderhaus	\$1,278.16
Jul	Humane Society of Northeast Iowa	\$1,853.86
Aug	Habitat for Humanity	\$1,503.96
Sept	Sunflower Child Development Center	\$1,447.82
Oct	Decorah Music Boosters	\$1,268.06
Nov	Decorah Vikings Athletic Boosters Club	\$659.01
Dec	Northeast Iowa RSVP Program	\$1,121.54

Our Round Up at the Register calendar is largely penciled in for 2022 and we thank the large number of applicants who applied. Yet we welcome organizations to apply at any point; we are happy to consider you for the following year. There are so many wonderful organizations we can support in our community and the surrounding area; it is certainly difficult to pick just 12 per year.

Thankfully, the Co-op provides additional donations to numerous others on an annual basis. We assist with the activities of area 4-H and other youth organizations as well as community events. Information about how to request a donation or apply as a Round Up at the Register recipient may be found on our website at <https://oneotacoop.com/about-us/community>.

We remain committed to serving our neighbors - both inside the walls of our co-op and outside in our area communities. We will continue to give - and explore new ways to carry out this portion of our Mission and Organizational Ends into the months and years to come.

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Food Equity

& THE DOUBLE UP FOOD BUCKS PROGRAM

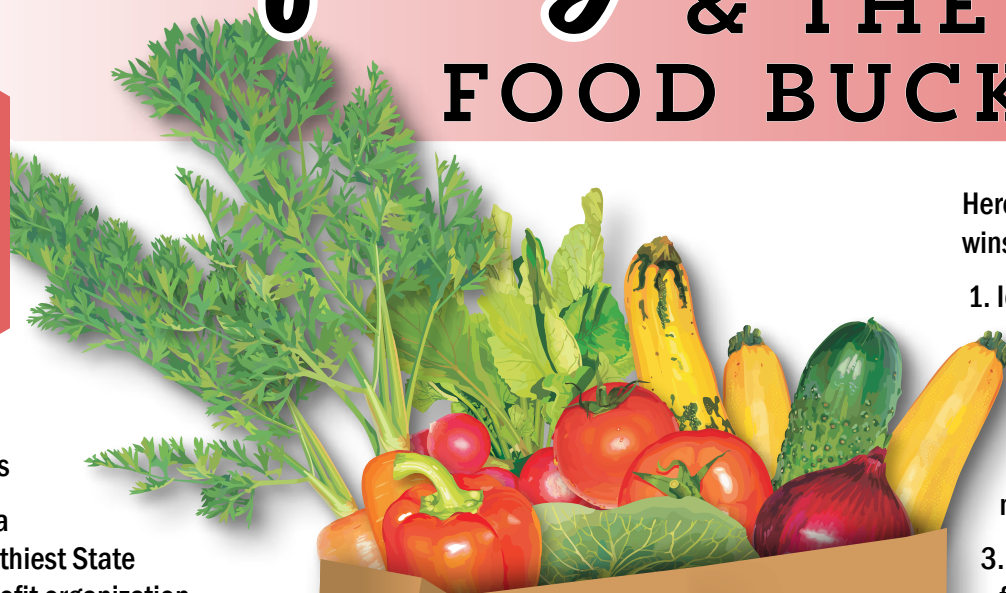


By Finance Manager Niki Sanness

Double Up Food Bucks (DUFb) is a program created by the Iowa Healthiest State Initiative (IHSI). This 501c3 nonprofit organization, established in 2011, is “driven by the goal to make Iowa the healthiest state in the nation.” <http://www.iowahealthieststate.com>. To this end, it offers community, business and education-centered opportunities to Iowans.

Double Up Food Bucks allows Supplemental Nutrition Assistance Program (SNAP) recipients to earn a maximum of \$10 DUFb on purchases of fresh fruits and vegetables per shopping trip. Shoppers may spend as many of their accumulated DUFb per transaction as they choose. For example, a SNAP shopper has 25 DUFb. They purchase \$28 of fresh produce. With their 25 DUFb, they will be charged \$3. They will also earn \$10 of DUFb for future purchases.

The Co-op has been a Double Up Food Bucks partner for the past several years. It ties closely with our Organizational Ends and Mission; it is rewarding to be a part of this program that directly addresses food equity.



Here are some of the benefits the IHSI lists as “triple wins” for this program:

1. Iowa Families: Double Up Food Bucks stretches food dollars on fresh fruits and vegetables for food insecure families.
2. Iowa Economy: Double Up Food Bucks are spent only at Iowa-owned grocery stores and farmers markets, keeping dollars in the local economy.
3. Iowa Farmers: Double Up Food Bucks helps produce farmers gain new customers and earn more money.

The program is currently funded through a three-year Food Insecurity Nutrition Incentive (FINI) grant from the U.S. Department of Agriculture. The Healthiest State Initiative then matches with local, state and private donations on a 1:1 basis. A \$1 million appropriation through Iowa state general funds, notes IHSI, “is vital to the future of DUFb in order to leverage match federal dollars and ensure the sustainability of the program.” This Iowa Stops Hunger piece discusses current DUFb availability and funding in our state: <https://www.iowastopshunger.com/double-up-food-bucks-seeks-state-funds-to-restore-access-to-2021-levels>.

Oneota Co-op is happy to be among those organizations that helped to place a collective total of more than two million servings of fresh fruits and vegetables in the hands of more than 173,000 Iowans in 2021. We remain committed to putting forth our best effort to serve our SNAP shoppers here at the Co-op.



FLEXIBILITY HAS BECOME THE NAME OF THE GAME

By Operations Manager Nicole Brauer



Over the years our Co-op has faced many challenges. Some - such as “competition” from fellow area grocers - are anticipated. But we couldn’t anticipate, and nothing could compare to, the challenges of the ongoing pandemic.

But along with challenges come lessons. The pandemic showed us what it means to cooperate as a community in many ways. Co-op staffers have stuck together - making decisions as a team to keep us and our community as safe as possible. We’ve masked and followed strict protocol for illness; sometimes this has left us with very minimal staff in the store.

We’ve maintained distance at the registers and kept plexiglass in place for staff and customer safety. New grocery stocking practices for some time included unloading boxes in the basement before products even made it to the sales floor.

Since the pandemic began our Co-op has lost several long-term leaders. These individuals have either taken new career paths or shifted toward retirement. They’re people that shoppers and staff knew and trusted, which presented a transitional challenge. Our adaptation to this included a change in the structure of overall store operations. The term “universal” began to refer to staff able to cross-train in differing departments. As a result, Co-op staff have become more “universally” knowledgeable in varying aspects of the store. When there’s a line at the registers, for example, a call for cashier backup can now be covered by many members of our staff at any time.

Staffing, however, has been especially difficult this past year. A good number of our staff are parents of school-age children or are high school and Luther students.

With this being the case, if a student is out of school due to COVID-19 it’s likely that a parent is home from work. And if close contact occurs, as the CDC defines, staff may be out for a number of days. So flexibility has become the name of the game. We have made decisions as a leadership team to practice flexibility. Schedules continue to change. What used to be easy to define as a 7 a.m. to 3 p.m. grocery shift may now need to be redefined to meet the staff’s needs. Is this easy? No. But can we make it work? Yes we can. We remain focused on educating our staff to provide the best customer shopping experience possible.

The support of National Co-op Grocers has been beneficial during this unsettling time. Under NCG guidance we began participation in their new “Core Sets” program. Core Sets is the name for NCG’s efforts to work with vendors in price negotiations on “core” essential items - items Co-op shoppers want to see on our shelves. It has allowed us to rely on NCG to work with our two main distributors, UNFI and KeHE, to ensure they would make available the products that

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FLEXIBILITY HAS BECOME THE NAME OF THE GAME

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co-ops value. As operations manager and store promotions liaison, this has proven helpful with commitments (our ordering process). A few months ahead of time I am working on our store's commitments to navigate what will be on sale and how much of each product to order. This planning allows distribution centers lead time during our unpredictable times. They're more capable of filling our product orders.

Yet Co-ops across the country are struggling daily to source products with the ease we used to. Products are becoming harder to make as sourcing of key ingredients grows harder to come by. Glass shortages, can shortages, staff shortages and transportation all play large roles in our food sourcing efforts. Back when I first began buying for the Bulk department vanilla beans went out of stock - and when I could source them they were four times the price. Vanilla has long been sourced overseas and there was a theft of vanilla beans. Yup - theft. Vanilla's an example of a key ingredient in many, many products a store offers. When you can't source a key ingredient what happens? Either the product can't be produced or alternatives are found. Vanilla is really hard to grow in a backyard in Iowa - so we go without or we adjust. We adjust how much we are willing to spend or we adjust our mindset to what is necessary. My vanilla story happened before the pandemic. But stories like this are now increasingly commonplace. So we remain flexible, adjusting and securing products, amidst fluctuating prices, to the best of our abilities.

Your Bulk department provides a picture of the factors impacting product commitments and availability. Our Co-op, like many, was started as a buying club. Buying in bulk was a part of shopping Co-op for many, involving a choice to reduce the waste and impact of packing materials. I would love to say that we're "bulking up" Bulk and offering more choices to lessen packaging waste, but that's currently not the case. Sourcing bulk is hard and prices keep climbing. Less Co-op shoppers buy bulk and sales are not what they were a decade ago. When buying for the Bulk department some tough choices have to be made - not so much on quality of product but quantity of product. Example: we're not moving raw cashews like we used to. Buying in bulk usually means sourcing in bulk and a case of raw cashews is a thirty pound case. When they're on sale they're flying out of the bin; when they're not, sales slow significantly. So a risk is taken. Do we stock up when on sale? Will we sell enough while not on sale to keep fresh products going out the door? Or will the product sit and go rancid? Your Co-op calculates risk daily and part of that includes choices around what risks we can afford to take. Many buying sources are companies whose values and quality we respect, such as Frontier Co-op, Bergin Fruit and Nut Company or Tierra Farm. They may be experiencing difficulties of their own that impact our cost, but we choose to continue to support them. Tierra Farm Bulk re-pack mangoes, for instance, are a popular item and one that the NCG often puts on sale in the Co+op Deals flyer. I'll let you in on a buying note here: when Bulk re-pack mangoes go on sale, it is

possible to source them elsewhere at less cost. Oneota Co-op does not do this. We value the work of Tierra Farm. We use that vendor and we honor that Co+op Deal price. We know how much our commitment to the value and quality of this product means to our shoppers. We know that the demographic of our northeast Iowa and southeast Minnesota customer base is unique in that we are a "rural" co-op. We're grateful for the ability to be able to meet the needs of our individual store while receiving guidance from our NCG partners.

Co-ops may not have the buying power that larger companies do, but they do prioritize products representative of their missions and ends. This value costs money - money to source ingredients, money to transport, money to produce, money to market and more. The value we put in our food is reflected in every product inch, every hand it touches, every drop of energy it takes to get it to your table from beginning to end. We at your Co-op share in the values our vendors consider throughout every part of their production process.

We understand we may not be the only place our shoppers buy their groceries and supplements. However, you're not going to possibly find a neighbor's fresh carrots at other stores in town. You're not going to find a knowledgeable and supportive herbal wellness staff anywhere else in town. You might find Annie's Mac & Cheese, but keep an eye on our sales; we may just have the better deal. We're now four months into 2022. Let's spend the next eight shopping at our Co-op.



STRONG SALES CONTINUE; *Small Companies Shine Throughout Pandemic*



By Wellness Manager Gretchen Fox Schempp

2020 & 2021 were all about immune system support.

The pandemic has certainly shaped the purchasing trends in our Nutritional Supplement department. Symptom and condition-specific products fell to the wayside while old standbys like Zinc and vitamins C and D took the spotlight. Lesser known, but longtime shelf mainstays like N-Acetyl Cysteine (NAC) and Quercetin saw huge sales growth as studies began to show these items to be helpful during these times.

Ordering from the many brands that we do kept us stocked on the trending items because we were able to pivot from one brand to another as stock

levels fluctuated. This is because we are fortunate to work with many smaller companies who don't sell to big box stores. While large distributors and manufacturers struggled to maintain stock and service all of their stores, these smaller companies were able to impressively keep up with supply and demand because of their commitment to co-ops and smaller business. Not selling to big box stores or Amazon helped them to be able to continue to supply us.

Yet it's important to remember that these small companies are exactly that - small. They have not been exempt from the coronavirus and its impact on their operations. One of our smaller companies adversely affected over the past few years is Herb Pharm. Herb Pharm grows and produces herbal

medicine on certified organic farms and facilities in Josephine County, Oregon. In addition to the pandemic hitting their staff hard in 2020, they struggled with staffing, production and their large farm during the wildfires of 2021. While we continue to carry the available products, we have worked to fill their currently unavailable items with alternatives from another wonderful small Oregon herb company, Oregon's Wild Harvest.

I am happy to see sales continuing to be strong. Purchases are now "evening out" throughout the Wellness sub departments. While I know we aren't through this yet, it gives me hope and great relief to return to serving a wide range of shopper needs in the Wellness aisles these days.



CROPS DON'T WAIT FOR US

The value of LOCAL has never been more apparent.



By Fresh Manager Mercedes Martin

We have leaned heavily on our local producers this year. Procuring fresh produce nationally and internationally has become incredibly challenging. Our local producers sustain us. Different entities in the community such as Iowa Food Hub, Decorah Food Pantry, Decorah Farmers Market, numerous local producers and your Co-op continue to navigate these difficult times and provide food to the community. The importance of these symbiotic relationships has never been more apparent.

Many of us were aware of a recent (and brief) Mexican avocado embargo this past February. Now we're hearing about the avian flu across many news sources. Yet from where I sit, I feel many of us are not aware of the deeper issues that currently exist in this country's heavily relied upon, but incredibly fragile, supply chain. These serious, and complicated, concerns do not frequently make for headliner news. But they're there. The depth of the issues with food production and distribution in our country is immense. A few items of note that affect us daily include:

- **Employee shortages in the fields and production facilities:** the warehouses we source from cannot find enough employees to fill their shifts. This delays many of our product deliveries and the accuracy and quality of the deliveries we receive.
- **Packaging shortages:** there is product currently that is grown, harvested or processed that cannot be sold because companies cannot access packaging. Many companies that we buy from in the Meat department such as Niman Ranch, Applegate and Beelers are trying to navigate these issues
- **Truck driver shortages:** this has been very prevalent in causing issues in the produce world. Crops don't wait for us. When produce is ready to harvest there is a short window to get it from the fields to the customers. The shortages in truck drivers means that products are sitting longer at the farms, on the trucks or in the warehouses. Our staff is having to spend more time making sure the quality of the produce we provide to the consumers is of Oneota Co-op's high, and expected, standard.

These factors combined create a situation that is increasingly difficult to navigate. We continue to cull through produce that may arrive in poor condition due to these factors. We research and balance product sourcing between different vendors to have items that customers demand. We work to fill the blank spaces arising on our shelves. Our challenges are becoming more visible, and shoppers will become increasingly aware of the serious concerns our food system is facing.

Personally, the above-mentioned issues are driving factors in my decision to continue supporting and strengthening our local producers. It is my belief that as difficulties in our national food system continue to more directly impact consumers, sourcing locally will not only be the most morally responsible option, but will also end up being the most reliable option.

It's true local, organic, sustainably raised food may cost more. Sustainably produced foods may come with an increased investment and cost-focus is an important factor in consumer choice. Yet we teach our children

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CROPS DON'T WAIT FOR US

The value of LOCAL has never been more apparent.

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the importance of nutrition; let us increase efforts to teach them the value of responsible food production and what their costs reflect. I propose increased classroom education about the differences in mass crop or livestock production versus small-scale farming. Many consumers may not understand that a small-scale, local carrot farmer will spend immense amounts of time harvesting, whereas a large-scale producer can afford machinery to more quickly pull each carrot out of the ground.

Another factor impacting small produce farmers is their need to be able to budget and plan extensively to

prioritize fairly compensating employees. Our experience with small farmers has taught us they specifically seek the commitment of their employees to grow their businesses to a profitable level. Being able to support living wages and cost of living expenses is a part of the “company culture” of many. Large-scale production companies’ wage increases, if they occur, are more easily absorbed due to the size of the organization. Increases in feed and transportation are as well. I urge consumers to be aware that factors large operations may more easily adjust to could possibly crush the entire operation of a small-scale, local livestock farmer.

Our producers are tired. Our vendors are tired. Our Co-op staff are tired. The food systems in our country are tired. Changes are needed and hopefully the momentum to make them will increase. Education, clarity and a changed mindset regarding our current food system is crucial to maintaining a healthy food landscape in the U.S. Buying local is about much more than the food in your hands - it’s about the growth of your neighbors, your community and your regional economy. Your Co-op thanks you for making the choice to invest in the work of our local producers.

CO-OP DELI OFFERS NEW OPTIONS, REGAINS FINANCIAL FOOTING

By Prepared Foods Manager Phil Jahnke Sauer

The current focus of the Co-op Deli lies in providing exceptional prepared foods with the smallest amount of staff. We balance house-made options with brought in ones. This allows us to provide a great selection to customers and simultaneously maintain labor goals.

Part of this year's efforts are directed toward that everyday-yet-exceptional standby called a sandwich. We're creating a sandwich program that is fresh, flavorful, accessible and ever changing. We will introduce new sandwiches, and salads, in concurrence with seasonal availability. This approach also is educational for Deli staff; they'll be allowed to flex their culinary muscles, growing in ability and creativity along the way.

New offerings have included sandwiches like our Smoky Roast Beef and Blueberry Brie Roasted Turkey. We've added a plant-based breakfast sandwich featuring our brands Beyond Meat and Just Egg to our morning choices. Our Mediterranean Veggie can be Vegan, or include hummus. We've got more sweet treats for you as well: tiramisu, strawberry shortcake and triple layer cake options are rotated in our Deli Grab & Go Case. New "bowls" we're trying out include our Farro, Burrata & Cara Cara and our Green Chicken Quinoa. Co-op shoppers are loving the "everything cookie." And our new four packs of muffins leave the store quickly. Watch for rotating products as we work to use what's at hand to provide fresh meal options for you daily.

The Co-op Deli has been running promotions in our "Weekly Sales" directives which run Wednesday of one week through the following Tuesday. Some of

our regular marketing thus far has included \$1 off quiche varieties; merchandising pie slices at \$3.14 on National Pi Day; \$.50 off bars and brownies; flash sales on our Deli Grab & Go case composed salads; \$1 off fresh sliced deli meats; \$.50 off our popular chicken, tuna and egg salads and hummus varieties, savings on hot and cold sandwiches and more. A new line of "co-op basic" meal items will provide simple sandwiches and salads at an everyday low price as well.

We continue to regain footing lost during the initial year of the pandemic. Co-op diners and shoppers inquire on the status of our Hot Bar operations. Part of our 2018-19 store remodel focused on more dedicated space to our Deli, as our Deli has typically been a sales driver for the store. Anything short of a pandemic would not have led us to risk the removal of the Hot Bar. But a pandemic is exactly what's been happening. Our challenge has been to think creatively about our operational options - due to a dramatic lack of staff and pandemic health concerns. The return of the Hot Bar/Salad Bar would require considerable staff resources currently not possible. Its future remains undetermined at this time.

The Co-op has spent many months of this pandemic without a Prepared Foods Manager. During the months this occurred in 2021 we relied heavily on various other managers and staff to fill this role jointly under GM Nate's supervision, as he began his Co-op career in the Deli. 2021 saw the beginnings of returning this department back in alignment with budget goals. I am happy to report that your Co-op Deli grows weekly in its return to solid financial footing. We will spend 2022 planning the strategic future of the Oneota Co-op Deli.



TECHNICALLY SPEAKING: HOW I.T. SUPPORTS STORE OPERATIONS



By Information Technology Manager Theresa Kleve

Remembering how we started our online store in March 2020 in just a few days makes my eyes blur all this time later. But the camaraderie stands out - the laughs to Golden Girls playing in the background during the long after hours readying the online store via Shopify, the jokes despite the exhaustion, my mom sewing our first masks, the coming together as a true team in our initial response to the pandemic. We've still got that spirit around here. We've still got the online store too.

At this time we are planning to continue our online order fulfillment. While orders come in at all times, Co-op shoppers must order online Monday by 6 p.m. for Tuesday pick-up or Wednesday by 6 p.m. for Thursday pick-up. All online purchases must be picked up at the store. Pricing is kept up to date nearly daily. A product that might not be available anymore is disabled in the system. We work to keep discontinued products updated as much as possible, especially in Produce. A new feature is 2021 is the addition of a note under each product. Notes may be used to specify pounds, ripeness or a suggested substitute product for one out of stock. The sale dates are now added to each product on our Weekly Sales and Co+op Deals. We no longer have a significant amount of labor hours dedicated to our online store; we've been able to pare it down to its essentials. We retain the online store as a service and courtesy for the care, concern and/or convenience of our member/owners, visiting and non-owner shoppers and area communities.

National Co+op Grocers has started a number of communication tools for different sectors of our collective organizations. A recent addition is an Information Technology (IT) forum to help co-op IT, Point of Sale (POS) and Data Management teams share and gain ideas from each other. This is a great resource for assisting each other in areas of troubleshooting, technical issues and equipment trends. This communication, and what I learn every day, is one of the things I love the most about co-ops. I'm not working on an island, or, if I am, it's an island with really great wifi in regards to the quality communication I practice daily with others in the co-op IT community.

We get questions from time to time about our Point of Sale (POS) system. Our POS system is facilitated by CoPOS. CoPOS is a Winona, Minn. based company. Your Co-op has used CoPOS since our adoption of a computerized POS system. This company continues to develop, writing code to accommodate the needs of the co-ops it serves. Being able to use a local business for our digital needs is beneficial to the co-op. We are able to work closely with CoPOS to make adjustments and improve our systems as needed. It's a system with many components. Aside from it being the means by which cashiers check out customers, CoPOS is the entire database that keeps our sales floor moving - from pricing and tracking of data for every individual item in the store to maintaining our member/owner data and where products are located on the shelves in our Wellness department.

Our Front End cashiers have told us that shoppers sometimes communicate that their card is not working with our credit/debit card machines. Please know that in some circumstances this

is a matter of waiting until your cashier lets you know to run your card or use your phone. This specifically pertains to those using swipe, tap, Apple or Google payment methods. The processing machine is ready when "insert" comes onto the screen, regardless of whether or not a card is being physically inserted or a phone is used. This doesn't apply to shoppers using a chip reader; these cards may be inserted at any time during check out.

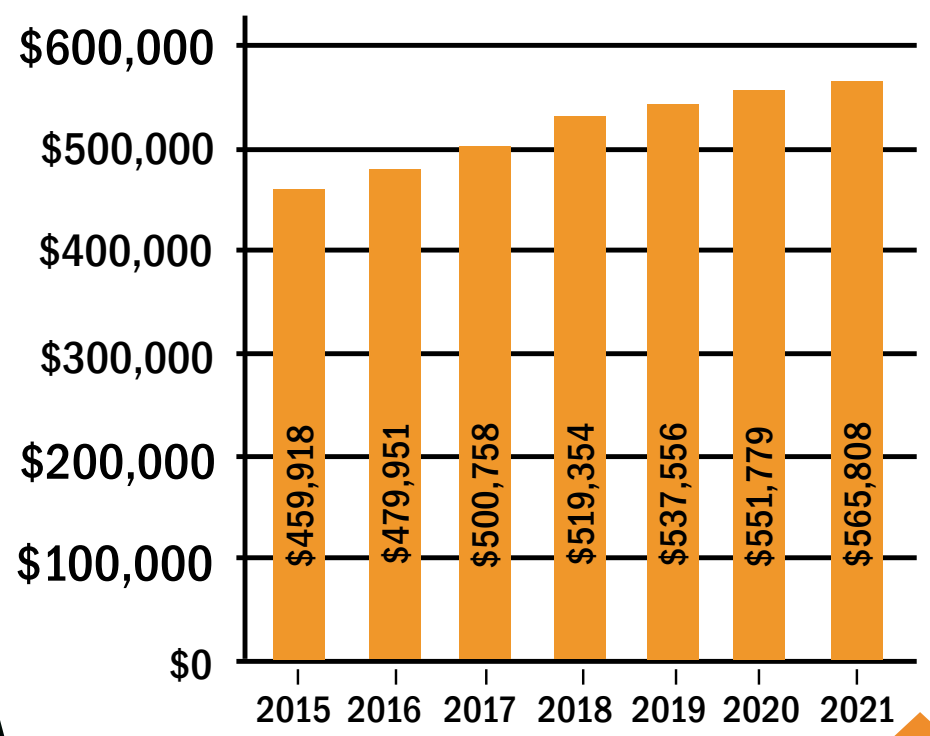
Part of my capacity as your Co-op IT Manager is facilitating systems that help others complete their various tasks. This puts me in differing roles on a daily basis, merging my technological duties with the opportunity to translate them to direct store operations. One day I may be working on the online store and fulfilling shopper orders. On another I'm sorting Co+op Deal signs for the next sales cycle or helping with Co-op Basics and Core Sets signage on the floor. I may be the person checking out your groceries, facing shelves, fixing shelf tags or even helping in the Deli. Or I might be pulling product stats and new inventory for Marketing. All of these things together foster my sense of truly being part of a team. We're not individuals here at the Co-op; we're all part of a team working together to create the "picture" that's our store.

As we welcome another year of cooperation, don't forget to keep your member/owner information up to date in our system. This includes your mailing and email address and is helpful for our annual board election communication as well as digital copies of receipts at the register. It's as easy as sending me an email - it@oneotacoop.com or customerservice@oneotacoop.com.



OUR OWNERSHIP CONTINUES TO GROW

OWNER SHARE EQUITY



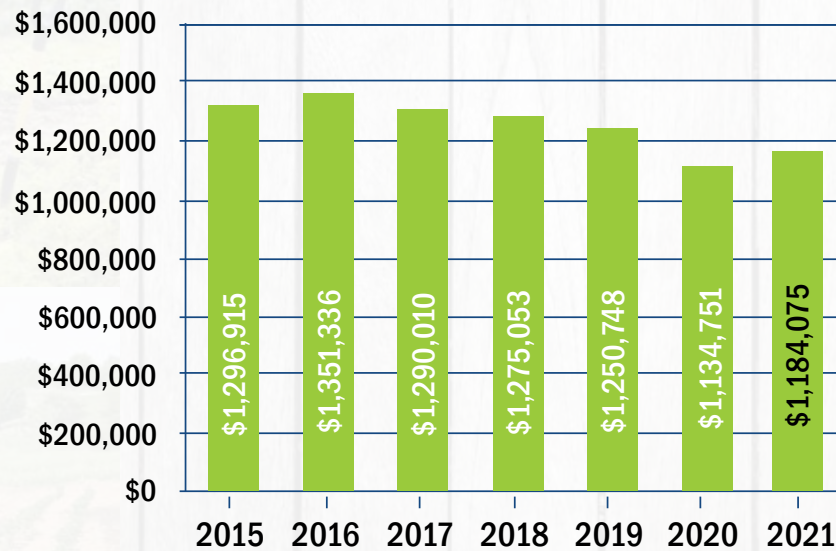
2021: 5,322
2020: 5,228
2019: 5,103
2018: 4,943
2017: 4,768
2016: 4,590
2015: 4,426

TOTAL # OF OWNERS

OUR COMMITMENT TO LOCAL



ANNUAL LOCAL SALES



We ❤️ our
Local Producers

LOCAL

At the Oneota Co-op, we define local as any product grown, produced, roasted, processed, or packaged within approximately a 100 mile radius of the Co-op.



2020 Percentage Total Store Sales = 25%
Sales in Dollars = \$1,134,751

2021 Percentage Total Store Sales = 24%
Sales in Dollars = \$1,184,075

A TASTE OF TOP SELLERS

- Quantities sold in 2021 -

Produce

Garlic - Local	400 lbs
Bananas - Organic & Fair Trade	29,542 lbs
Beets - Local	2,102 lbs
Squash - Local	2,504 lbs

Oneota Deli

Pizza Dough	934 ea
Deviled Eggs	1,045 6/pks
Whole Roasted Chickens	1,736 ea
Garlic Lovers' Pasta Salad	600 lbs
Fresh-Baked Cookies	6,215 ea
Deli Hot Sandwiches	17,137 ea

Wellness

Essential Oils - Aura Cacia	1,450 ea
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Packaged Grocery

Tortilla Chips - Whole Grain Milling Co.	1,736 ea
Bread - Lynn Staley - Local	4,275 ea
Lefse - God Dag Baking - Local	1,750 ea
Chocolate Bars - Chocolove	8,597 ea
Kombucha - GT's - 16 oz	3,835 ea
Mac-n-Cheese - Annie's	4,929 ea

Dairy

Cheese Curds - WW Homestead	1,641 ea
Yogurt - Country View Dairy	58,570 oz

Meat

Ground Turkey - Ferndale Market	1,565 lbs
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Meat Alternatives

Tofu	2,100 lbs
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Bulk

Bulk Dried Mango	909 lbs
Bulk Herbs and Spices - Frontier Co-op	942 lbs
Bulk Coffee	4,059 lbs
Bulk Oats	4,158 lbs
Bulk Fresh-Ground Peanut Butter	2,165 lbs
Bulk Blueberries, Frozen - SnoPac	571 lbs

Wine

Wine - Bota Box	7,570 liters
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