

48 YEARS OF LOCAL



2022 ANNUAL REPORT



ADAPTATION

BY NATE FURLER, GENERAL MANAGER



I thought about starting this annual report article with the phrase “2022 was the perfect storm.” What

didn’t occur to me at the time was that for many folks, the normalcy of pre-pandemic life has returned. In-person gatherings have long since resumed and the Co-op is looking forward to an in-person annual meeting which hasn’t happened since 2019.

Perhaps a better analogy would be that 2022 was a tsunami, with 2020 being an earthquake, and 2021 being its aftershock. In looking back, there was plenty of speculation regarding supply chain issues and labor patterns. Staffing levels for the Co-op reached a critical low during the first quarter of 2022. At the same time, new work (including a lot of problem solving) escalated as a result of pandemic fallout. Inflation finally hit a high not seen in the past 40 years. The race to keep up with consistent price changes showed itself to be a marathon. It’s one we are still in the process of running.

Our total staff count during Q1 2022 dropped into the 30s which meant it was difficult to keep daily operations effectively staffed. Of these 30 or so staff, more than half were part time - working less than 30 hours per week - some less than 20. I point out part time versus full time designation only because it illustrates just how many hours we had available to try and fill a schedule. It was bare bones with no bench to pull from. If someone was sick, some other portion of the store would need to pause and cover. Thankfully, towards the end of 2022 our staff count was back into the 50s and we were able to catch a breath and start to catch back up.

We pulled every lever we could to keep operations

as seamless as possible for customers. Staff flexed schedules, learned new skills, renewed old ones and filled in wherever and whenever possible. We were (and still are) fortunate to have former staff members that returned to work for the Co-op as much as they were/are able. We had staff that chose to move on to other pursuits that remained with us longer than planned to help us through our days and nights. We expanded overtime wages to our part-time and salaried personnel to honor the extra effort towards putting in more time and energy for the success of the organization. Writing about these memories of what staff did to bend during our time of need elicits a dramatic emotional response within me. It is one of gratitude, teamwork, cooperation, and sincere caring and support. It was, and continues to be, a group effort and our various staff members dug deep, stepped up, and kept our operations running smoothly. I am grateful to work with such a dedicated and resourceful group of people. To each staff member goes my sincerest thanks and I encourage you to take a moment to thank staff when you see them in the aisles.

Though product availability has started to become more consistent, supply chain disruptions are still higher than pre-pandemic. The effects of labor shortages outside of our organization continue to impact us. We’ve experienced unpredictable delivery times and even missed deliveries due to a shortage of drivers. Product quality has suffered due to instances of worker shortages to perform harvesting, packing, and shipping tasks. Our increasingly unpredictable weather patterns play a role as well. Staff at the Co-op have had to be diligent in finding alternate sources for some favorites as well as new sources of similar items to meet the needs of customers. This all continues to take time and energy that can prove

to be in short supply. Things really aren’t the same as they used to be. While they’ve begun to feel more “normal,” our perception of “normal” has adjusted as well. We’ve adapted. We keep moving forward.

The Co-op is now in the process of a pandemic rebuild. Our cash situation remained strong throughout the year, yet we saw an increase in expenses and a shortfall in some departments. We did not capture the profit margin necessary to successfully reach our budgeted goals. This made a taxing year of work even harder to swallow, but as of early 2023 we are making ground and have incorporated new systems to strengthen our bottom line moving forward. These “systems” involve store structure reorganizing, input and instruction from National Co-op Grocers, and the combined input of Co-op staff. We’ve learned a lot of lessons, and we’ve learned we’re better because of them.

And then there’s inflation. Wow. Food prices, and the prices of other goods and services, have soared. These prices continue to rise and we race as we rebuild to keep our prices fair while meeting our minimal goal for a net profit each year. We are not a “make as much as you can” business. Our net profit goal is small; our sense of purpose is not. When we flourish, our community flourishes. We raise wages and benefits for our staff, invest in the physical upkeep of our business, and entertain enhanced and additional services we may provide our customers.

Our investors are each of you. And those investments are equal - 1 member, 1 share, 1 vote. We help provide for our community in ways that work to make an equitable and sustainable existence for the many and not the few.

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As we continue to regain footing, the question is this: *where do we go from here?*

The board of directors, myself, and select store managers finished our strategic planning efforts in mid-2022. This process lasted many months (see Board President Timm's letter on pg. 4). We were fortunate to contract with Iowa State University to facilitate the meetings and the process. The final session lasted the majority of an entire day; we underwent the long process of bringing our thoughts and planning from the prior meetings together.

The strategic planning process focuses on the next three to five years of the organization from the board perspective. It identifies important areas that rise to the top of the list when it comes to accomplishments of the Oneota Co-op as an organization in that time frame. This strategic plan is then used by the board, general manager, and other members of the Co-op leadership team to devise a roadmap to achieve these goals.

One of my jobs as general manager is to be a bridge between the membership and board of directors, and the operations and staff of the store. It is a long and detailed task to peel apart an extensive plan like this and work with all the staff of the Co-op to bring these ideals to fruition. The work of formulation has begun and I look forward to continuing the work and expanding our impact in this community and beyond. Here is a glimpse of what this strategic plan unearthed:



Scott Hawthorn, Aaron Detter, Niki Sanness, Detra Dettmann, Bailey Lutz, Hannah Breckbill, Scott Timm, Bill Iverson, Nate Furler



STRATEGIC PLANNING VISION

What do we want to see in place in 3-5 years as a result of our actions?

- ▶ Sustainable market growth
- ▶ A connected board and membership
- ▶ A high performing board
- ▶ Proactive engagement toward a resilient local food system
- ▶ Shared vision and camaraderie between staff and board
- ▶ Be leading with our values around sustainability
- ▶ A robust workforce that feels valued

STRATEGIC PLANNING BARRIERS

What is blocking us from achieving our vision?

- ▶ Neglected board training and a complex governance system
- ▶ A competitive and challenging job market
- ▶ Infrequent opportunities for developing shared vision
- ▶ Not being strategic about utilization of board member time and talents
- ▶ Unexpected forces beyond our control
- ▶ Not enough opportunities for members who want to engage
- ▶ Unclear board and staff boundaries

Within each of these areas, the board identified specific things that pertained to each different umbrella (bullet). Some wound up with a few items, others with many. The task now would deal with identifying what innovative, substantial actions will deal with the underlying barriers and move the Co-op toward this vision. These boiled down to the following four areas of focus:

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

I am excited to work together with our talented and dedicated board, staff, and members to continue the mission of our organization. There is hard work ahead of us, but it's no different than adapting to the struggles of our first (nearly) five decades of existence. We continue to seek what's best for our community and our region. We define, and implement, strategies that allow us to illustrate what a sustainable, equitable and cooperative business may achieve.



OCC BOARD BEGINS IMPLEMENTATION OF STRATEGIC PLAN

Four key directions established to grow Co-op's future

BY SCOTT TIMM, BOARD PRESIDENT

This year will be the 49th year of Oneota Community Co-op's presence in the Decorah-area community. As we prepare to celebrate our 50th year, reflection on the "'good ol' days" has begun. The Co-op is very different from its early years; heck - it's very different than it was five years ago when I joined the board. The job of the board of directors is to monitor our organization based on the bylaws and mission and help guide its direction, working closely with the GM and their leadership team to do so. While the particulars of board responsibilities have shifted over the years, our commitment to the Co-op's future remains a core component of the governance process.

We began 2022 with a board of directors retreat at Yellow River State Forest. Board members, along with GM Nate and Finance Manager Niki, used this time to discuss, and come to a consensus on, priority directives. Our four strategic directions whittled down to:

- ▶ Building an Engaged and Informed Board
- ▶ Contributing to a Fulfilling and Engaging Workplace
- ▶ Improving Co-op Resiliency
- ▶ Reviving an Engaged Membership

Board members self-selected into teams, rolled up sleeves and got to work. We established goals that focus on internal operations as well as our external engagement within the community.

So - what exactly have we done thus far? We brought monthly potlucks back. We held a well-attended event at Luna Valley Farm to thank employees and

connect with membership. We've been doing some "deep diving" on our policies, bylaws, and structure. We've made board meetings more efficient. We've re-organized and cleaned up our storage of documents, reports and records. At each meeting we're examining policies and reports for the upcoming month, and taking a proactive approach to policy monitoring. We performed a skills matrix, self-examining our strengths and noting where we could use help from future board members. We were proactive recruiting board members and had five candidates for two open positions. We're continuing to improve our onboarding process for new directors. Board members have attended several professional development training events, and we have more scheduled on the horizon (topics include Policy Governance, GM compensation and contracting, board compensation, and facilitating difficult topics).

The OCC Board has wrestled with difficult issues: How can we make shopping at the Co-op more attainable for everyone in our community? How can we leverage our organization to improve/strengthen the local economy while maintaining the incredible business that has already been built? How can we best maintain the assets we have, the buildings we occupy, the employees we value? How might we modify our operating structures to be more effective, efficient, and provide more opportunities to "do good work"?

The award-winning journalist and author Sydney Harris once said, "Our dilemma is that we hate change and love it at the same time; what we really want is

for things to remain the same but get better." Some of us delight in diversity; some of us find comfort in consistency. I've noticed that as I get older, I get more nostalgic, more concerned about risks, more hesitant to change things that have always worked for me in the past. I once worked for a funky, progressive elementary school full of deep traditions - and an alum reflected to me, "I'm happy to see that things have changed; I would be worried if this place wasn't changing." I try to keep that perspective in mind when I go into "hesitation mode." The OCC Board tries to balance and honor the practices of the past, with necessary adjustments as our organization adapts to serve the evolving needs of the community.

From my perspective, I see a lot of progress. For some folks, change may not come fast enough. For others, it may come too soon. I am grateful to serve on this board with people who show up and aren't afraid of hard work - folks willing to discuss, disagree, find consensus, and move forward with the intention to improve our community and quality of life. We are deeply grateful for Nate, his leadership team, and all the employees who carry out the day-to-day business that not only provides healthy and nutritious sustenance, but a community-connector that means so much more than a "grocery store."

Here's to growth,
Scott Timm





Abbreviated **PROFIT & LOSS**

	2022	2021	2020
SALES	\$5,021,329	\$4,920,248	\$4,594,288
Cost of Goods Sold	\$3,225,114	\$3,112,630	\$2,967,036
GROSS MARGIN	\$1,796,215	\$1,807,618	\$1,627,252
Operating Expenses:			
Personnel	\$1,162,514	\$1,116,395	\$1,242,091
Depreciation & Amortization	\$122,567	\$124,155	\$126,292
Facilities	\$177,695	\$159,135	\$142,993
Marketing	\$37,538	\$49,882	\$56,626
Supplies	\$44,209	\$43,280	\$49,627
Interest	\$32,138	\$35,441	\$39,852
Discounts	\$104,116	\$106,282	\$91,607
Patronage Dividend	\$0	\$0	\$0
Other Operating Expenses	\$170,928	\$162,427	\$143,032
PROFIT ON OPERATIONS	(\$55,492)	\$10,622	(\$264,868)
Non-Operating Revenues & Expenses:			
Less Board Expenses	\$20,455	\$22,958	\$12,643
Plus Other Revenues	\$31,690	\$291,494	\$242,119
EARNINGS BEFORE INCOME TAXES	(\$44,257)	\$279,158	(\$35,392)
Income Taxes	(\$11,496)	\$9,022	(\$58,727)
EARNINGS AFTER INCOME TAX	(\$32,761)	\$270,136	\$23,335

BUILDING OUR BALANCE SHEET

	2022	2021	2020
Assets			
Cash	\$327,305	\$420,910	\$200,283
Other Current Assets	\$303,415	\$270,547	\$266,997
Other Assets	\$1,757,338	\$1,874,944	\$1,959,857
Total Assets	\$2,388,058	\$2,566,401	\$2,427,137
Liabilities			
Current Liabilities	\$359,931	\$441,578	\$517,082
Long-Term Liabilities	\$755,514	\$832,276	\$901,973
Total Liabilities	\$1,115,445	\$1,273,854	\$1,419,055
Equity			
Owner Shares	\$578,933	\$565,808	\$551,779
Preferred Stock	\$64,200	\$64,200	\$64,200
Retained Earnings	\$558,263	\$288,126	\$264,791
Retained Patronage Dividends	\$103,978	\$103,978	\$103,978
Net Income	(\$32,761)	\$270,136	\$23,335
Total Equity	\$1,272,613	\$1,292,249	\$1,008,083
Total Liabilities/Equity	\$2,388,058	\$2,566,103	\$2,427,137

2022 BY THE NUMBERS

Annual Sales: \$5,017,118.35

Total number of employees: 53

Employees working 30 hours per week or more (full-time): 22

Total number of owners who have equity with us: 5,428

Percentage of sales to owners: 78.91%

Number of new owners: 106

Total owner investment: \$578,933

Total donations to our community: 16,433.91

Sales of local product: \$1,298,542.3 (25.88% of total store sales)



2022 A YEAR OF INVESTING IN CO-OP EMPLOYEES

BY NIKI SANNESS, FINANCE & HUMAN RESOURCES MANAGER

2022: What a year it was in HR! We started January off with 37 employees, struggling to have enough cashiers, stockers and deli staff to really keep the store functioning well. We experienced employees leaving for various reasons (college or graduation, moving, other employment) about as quickly as we could find replacements. We hired 48 employees in 2022 (if that gives you an idea of how busy HR was last year!).

You've probably seen a lot of new (as well as some familiar) faces join our team over the last year. We've had a few long-term member/owners join us as employees this year - and a few former employees returned to assist us as we worked to maintain store operations. We also experienced some long-term employees moving on to other ventures. While this is always bittersweet, we slowly made ground on the employment front. I'm happy to say we ended 2022 nearly fully staffed with 53 employees.

Our pandemic labor experience has resulted in a deep commitment to being a competitive regional employer. While we've been interviewing, hiring and training, we've also simultaneously focused on one significant question: What can we do to recruit, and retain, employees? As we have seen inflation rise rapidly, we (as well as most employers) have had to follow suit with wage increases. Early in the year we increased our entry level (full time) wage from \$12.55/hr to \$14/hr. Yet we knew we needed to do more than increase wages to recruit and retain employees. So we took a big step, laying the groundwork to offer employees increased benefits which became effective January 1, 2023. It was exciting to announce to our employees that we now offer life insurance, short-term disability and long-term disability. We've also made optional dental and vision available. This is probably one of the accomplishments that I, personally, found most rewarding in 2022. Our employees indicated

appreciation for this effort; we received a good response rate with the optional insurances.

If we look back to January, 2020 (the month the first Covid-19 cases were confirmed in China), the Co-op employed 56 individuals. Our entry level wage was \$10.50/hr. Three years later, we once again benefit from over 50 employees - and our full time entry level wage is now \$14/hr. We have worked hard to attract, and retain, employees despite a difficult labor market. Between the new insurance offerings, a company match to a SIMPLE IRA (Individual Retirement Plan), 20% employee discount and increased wages, we hope to offer something to benefit every demographic of employee. These choices serve to strengthen the daily operations and organizational health of your Co-op. Looking back at 2022, I can see the huge strides we have made - and this only serves as inspiration for all the things left to work on in 2023.



BACK TO BASICS

BY PHIL JAHNKE SAUER, CENTER STORE MANAGER

As I look to 2023, I see us as a department going “back to basics.” We are in the process of evaluating the product mix in our grocery department and shoppers may experience a bit of additional variety throughout this process. Products that historically do not “move” may be discontinued. This allows us to maximize space and availability for items shoppers continue to rely on. It provides room for new, local and regionally-focused products. This also is a strategy to manage the ever-increasing cost of goods. Part of this is optimizing our sales per square foot. These efforts occur to successfully manage the Co-op’s financial future. Shoppers who find that a favorite item is no longer stocked are welcome to place a special order (as available).

There will be additional “Co+op Basics” products making it to the shelves this year. Co+op Basics is a National Co-op Grocers (NCG) program designed to ensure “everyday low prices” on many grocery and household goods. Look for purple Co+op Basics signage throughout the store. Many Field Day and

Cadia products are consistently labeled and priced as Co+op Basics. These savings are the result of the collective price negotiation made possible by our NCG (National Co+op Grocers) membership. Plus, your Owner Appreciation Discount, Monthly Member Discount, and Senior Discount apply to Co+op Basics items.

When we think about going “back to basics” we cannot forget about bulk products. As the year progresses, we will evaluate our core set of bulk options. Most recently, we have welcomed local bulk flour, flax and pancake mix from Meadowlark Organics of Ridgeway, Wis. The quality, flavor and consistency of Meadowlark products is exceptional. John and Halee Wepking are conscientious farmers dedicated to regenerative ag, and are currently in transition to no-till. They also serve as a distributor for fellow small farmers. This company is a great story of mentor and mentee, the future of agriculture and an example of what local collaboration “can be.”

In Wine & Beer, we’ve added Meadowlark Provisions of Decorah and Best Case Wines of Iowa City to our list of distributors. Kevin (Meadowlark) and Robert (Best Case) have proven to be a great fit for the Co-op. Both distributors remain focused on quality, affordability, and a company profile (including sustainability) that compliments our store mission. Be on the lookout for the resumption of sampling in the future.

I urge shoppers to observe the growing number of local (within 100 miles as the ‘crow flies’) and regional (300 miles) products your Co-op continues to source. For example, one week saw the inclusion of these items: Bootlegger kombucha, Apple Valley, Minn.; Driftless Fine Water, Blue River, Wis.; Tree Fort Soda, Minneapolis; Big Watts Coffee, Minneapolis; Ten Finns Creamery A2 milk, Menahga, Minn. We remain committed to strengthening our local and regional food relationships as the months progress.



GETTING BY WITH A LITTLE HELP FROM MY FRIENDS

BY GRETCHEN FOX SCHEMPP, WELLNESS MANAGER

Last year I found myself largely alone in the Co-op's Wellness department. For the first time in all my years with the Co-op, I was charged with ordering, processing, pricing, managing and merchandising for the department - all while offering customer service on the floor. If it were not for the help and support of long-time employee and Jane-of-all-trades, Hannah McCargar, 2022 may have been unbearable. Hannah was raised in our Co-op and spent years working with us. More recently, she is a go-to sub for many departments. For me, she was a lifeline. I couldn't have asked for better help.

Every single staff member supported other corners of the store over the course of the year. Each and every one of them should be given a round of applause. This was certainly a theme for us in 2022. With staffing an ongoing challenge in the service industry, it is nothing but the truth to say that customer service is hard work - and the pandemic hasn't made it any easier. I have been in the retail business for

the better part of my life. I can confidently say that customer service has changed a great deal over the years, with customers wanting more personalized service at times. This often adds extra hours of work for the brave folk who have stuck it out in service. We do our very best to provide this next level of service.

The latter part of 2022 brought new structure and focus back to departments in an intentional manner. In September, the Wellness department was fortunate to bring in former staff member Katharine Hannigan, who graced our Fresh department years ago. I couldn't have been more grateful and thrilled for the addition. Additional Wellness staff means shoppers can now find Wellness staff available every Saturday and select weekday evenings. Katherine's eagerness to learn and help people is infectious. She brings extensive knowledge of nutrition and whole foods and believes every wellness path should begin with the food we consume.

2022 saw new Wellness trends blowing up daily on social media platforms. While we tried out a few per customer request (i.e. Irish moss anyone?), we find that Co-op shoppers remain focused on practical, tried-and-true herbal and homeopathic remedies and nutritional support. We may be a little bit "old school" in this manner - and I love it! Our shoppers are both thoughtful about what goes into their bodies and where their dollars go. I am impressed and grateful for the sharing of knowledge that occurs in the aisles of the Co-op. I continue to be a student of my customers, my co-workers and the world at large. If I've learned anything in 2022, it's that no good work is done alone. This is what makes the Oneota Co-op Wellness department, and our Co-op as a whole, thrive today.

In Health,
Gretchen



(RE)FINDING OURSELVES IN THE ART OF BALANCE

BY MERCEDES MARTIN, FRESH MANAGER

I have been extraordinarily lucky to have a strong and committed team of employees and coworkers this past year. This support has allowed me to branch into “big picture” processes and goals. This has allowed me the space to consider the work we do, and its value. For the first time since I came to the Co-op in September 2019, I have been able to focus both on the basics of everyday operation and reflect upon the work of our department as it’s related to the Co-op’s Principles and Ends. This has been a holistic process, and it’s allowed for growth as the Fresh department manages both daily tasks and re-commits itself to the work we do.

At the center of this lies the art of balance. On a daily basis, I (and co-workers) balance labor hours, margin, and cost of goods to achieve a profit sustainable for the organization’s current and future endeavors. We do all of this while maintaining a focus on Co-op values, and this takes considerable

time and energy. This is not an easy task, yet it’s one we consider on a daily basis.

To maintain a profitable, value-oriented business we work to set ourselves apart. One slogan that our co-op (and other food co-ops) has used is “where local and organic aren’t just a corner of our store; they are the cornerstone of our cooperative business.” We live in a world of corporate greenwashing and easy availability when it comes to organic food. It’s not difficult for a retailer to supply products that meet the requirements of the organic logo on the surface. In order to set ourselves apart, we focus on education regarding these things. We invest time and resources telling the stories behind our products. We focus on Ends 1, which reads: “Our organization provides organic, local, and sustainably produced products to the greatest extent possible.” We focus on Ends 2, which reads: “We support building thriving local food systems and encourage the

expansion of locally grown food systems.”

Honestly? It can be difficult and potentially expensive to provide a solid, locally-sourced grocery program. Instead of ordering by “point and click,” we spend numerous labor hours communicating with many, many vendors personally. Orders are placed, reports are run, more orders are placed, deliveries are received - and the cycle repeats itself. In turn, employees require training to navigate the flexibility inherent to local foods. As for me, I’m constantly thinking things like: “What crop is coming from which vendor this week? Will we have enough pork/beef depending on a locker’s processing schedule? How do we need to plan in advance for a grower going on a family vacation?”

Because we are committed to local, we work to balance any volatility that may impact sales. Small-scale farming means that any one issue may affect

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an entire delivery - a vehicle may break down, an employee may be out sick, their own child may be sick - and of course, the weather and other endless variables. These pandemic years, however, have reminded us that volatility applies to big business farming too - and in that case, you can't text another local farmer and problem-solve. Constant quality and availability issues stemming from more frequent weather extremes, as well as a general lack of truck drivers and overall labor issues, have continued to impact the Fresh department. As always, we will prioritize our local vendors and seek efficiencies and systems that balance our department's financial success with our overall educational mission.

In the last year we have found ways to build a stronger local food program that promotes these efficiencies and builds successful systems. We have developed numerous partnerships with local businesses, including Iowa Food Hub. In particular, our partnership with Iowa Food Hub has reduced transportation and increased the efficiency with which some locally-produced products get to our store. The term for this is food miles, and food miles are an environmental impact factor and a cost driver. In the past, we've had to use a distributor for many of our local food items. This meant products sold from local farms within 100 miles were sent to a warehouse prior to being delivered back to us in

Decorah. Now products go straight from the farmer to us via Iowa Food Hub. This local networking ultimately maximizes both affordability to the consumer as well as profits for the producer. On top of this, we've noticed an increase in local businesses working together to promote our local food system.

Not only are businesses working together; growers/producers are too. In January the Co-op facilitated a meeting hosted by Seed Savers Exchange to plan the 2023 growing season with what we are now calling our "hyperlocal" produce growers. This newly defined category of producers encompasses growers, producers, processors and related food organizations located within 25 miles of the Co-op (our local definition is 100 miles). In true cooperative spirit, this meeting was called to collaboratively maximize diversity of crops and product sales for every farm in our hyperlocal area. The aim was to plan out (and then grow or produce) as many crops as possible between the members of the group in order to increase sales for each vendor, reduce food miles, and maintain consistency and availability throughout our northeast Iowa season. I call this balancing the equation. Hyperlocal made agreements about which products and seasons each grower/producer would focus on in order to keep the Co-op supplied with as much locally-grown fresh produce as possible throughout the year. Hyperlocal

is committed to creating space in the market for new growers (ensuring the future of our local food system). Read more on Hyperlocals' development here: oneotacoop.com/hyperlocal-group-in-initial-development-stages. In the Fresh department, we look forward to the efficiency gained by reducing the jump back and forth between producers. We may better balance our shelf supplies due to managed seasonal overlaps. And we will be more easily able to work with new producers - because the overall networking system will be solidly in place.

I find myself realizing that the balancing act is more important than ever. I've also learned that this balancing act is bigger than two arms of a scale (business basics and our Co-op mission). Truth is: It's a wheel that circles because of the collective conversation, education and hard work between staff, producers, businesses, organizations, member/owners and all community members. This past year feels like a beginning, a return - a (re)find. It's one of being able to return to a pre-pandemic focus of more than staffing the day in front of us, or filling a shelf, or putting out whatever immediate fire has arisen. We are committed to sourcing the best local and/or organic food possible, and we are committed to telling the stories of these foods, and these people. Please join us for the journey.





CO-OP DELI CONTINUES TO REBUILD IN 2022

BY MELISSA PALMER, PREPARED FOODS MANAGER

2022 was a year that brought many new items to our Deli Grab & Go case. Under former Prepared

Food Manager Phil, I (as then Deli Production Assistant Manager) assisted in making sandwiches such as our new Blueberry Brie Roasted Turkey, Smoky Roast Beef and the very popular Friday Falafel. As a member of Phil's team, I worked on the execution of our protein bowls, as well as salads and deserts. 2022 was a year in which the Deli continued to regain positive footing.

We remain focused on department rebuilding due to pandemic. Our labor shortage continued into much of the year and is now leveling out. Internally, we have several new or "newish" staff members with a lot of prior kitchen experience, as well as a few familiar faces. The Deli staff is quick to learn new skills and fine tune the ones we have. It's a creative, versatile group of people willing to work as a team. And when we experience success, it boosts us all up to keep doing the work we do.

We keep adjusting to rising costs and unpredictable supply chains. For example, Co-op shoppers may have noticed that the cost of our made-in-house tuna

sandwich has gone up. This is because the price of tuna has climbed across the board. Yet - it's really good tuna. It is American-caught and certified sustainable with third party verification. Quality and sourcing of products is a primary consideration.

Another example we've experienced is limited availability regarding tofu. Shoppers may wonder why we're not ordering extra tofu like we sell in the store and making use of it. It's important to remember that your Deli cooks in volume. Thus, we buy in bulk - and from food service suppliers, not packaged grocery. We get the most out of our purchased product this way. It's also easier to keep up with expiration dates. This assists with staffing too, because we're able to structure production numbers and product variety efficiently.

The pandemic has reminded us of the value of our local and regional food relationships as well. We rely on ham from Beeler's Pure Pork in Le Mars. We utilize local greens and vegetables whenever possible. The cheese in your sandwich is likely from Nordic Creamery in Westby, Wis. And our new Deli Sloppy Joe features ground beef from County Line Locker of nearby Riceville.

We're excited about our plans moving forward. We aim to make something available to everyone, including those with food allergies and/or dietary restrictions. We will keep developing vegetarian, vegan and gluten free options. Our Bahn Mi sandwich, for example, is vegan. Our cranberry oatmeal cookie is wheat-free. Many selections are made without gluten. Please check your product labels for guidance.

Shoppers responded well when we began offering packages of our muffins, cookies and croissants. We'll continue to offer these things. I've personally been in

the Co-op Deli for four years. This has allowed me to learn about our customer base, many different teaching and managing techniques, the value of our products, the Deli's part in the Co-op family and area community and, ultimately, how to keep the Deli successful. I'll continue doing this and work with Deli staff to produce shopper favorites and seasonal options. Most recently, you have requested quiche and turkey meatloaf, so we've re-introduced those items to our cooking rotation. Our soup selections have been popular. Back in production is our Black Bean Quinoa composed salad, as well as our Marinated Beet and Feta option. Chicken tetrazzini is on our Deli Grab & Go rotation, and look for toppings such as roasted garlic, cilantro and/or fire-roasted tomatoes on our in-house hummus selections.

Managing efficiency continues to be a Deli priority. As we plan selections, we remain aware of, for example, how many dishes could we possibly use all of these fresh tomatoes in? Or the Ferndale Market turkey we've got in? We'll keep working on these efficiencies, as well as offering variety, as the months progress. We're looking forward to the year to come.



Friday
FALAFEL



BAHN MI



IT UPDATE: CO-OP STREAMLINES GIFT CARD PROCESS

BY THERESA KLEVE, INFORMATION TECHNOLOGY MANAGER

One of this year's many projects has been evaluating our current gift card system here at the Co-op. After much research and consultation, shoppers will soon see changes regarding how gift cards are purchased and processed. These changes will serve to streamline both the customer experience and our store operations.

The Co-op has always used an external terminal to issue and redeem gift cards. By external, I refer to it being separate from the main register(s) shoppers use to check out (our CoPOS system which manages all store logistics). We have four of these external card terminals in the store. These units are aging; replacement costs range from \$700-\$1500 each, depending upon sourcing, quality, etc. These units were designed to support our current gift cards, and these cards are NCG-issued. As National Co+op Grocers is moving away from issuing gift cards, the timing became right to pursue new options.

To facilitate this transition, we turned to CoPOS founder Ken Geiger. I spent many hours this past year working with Ken and his team to create programming that will allow us to soon process and redeem gift cards at our registers - without the use of external terminals. Because CoPOS is a small company, and based in Winona, Minn., we have the benefits of accessibility and personalized service, all while supporting another regional business.

We've designed colorful new gift cards that carry a message we're committed to - Everyone Welcome. As shoppers fully redeem a card, we will clean and re-purpose them, thereby reducing the waste inherent to many plastic gift card options. A shopper given a gift card who is a member/owner will have the capacity to redeem the gift card total into their declining balance should they so choose (and turn in the card for cleaning and re-purposing).



Internally, our Front End cashiers will no longer have to process gift card sales on two different terminals (the external gift card ones and our CoPos registers). This serves to streamline your shopper experience. Sales

will be reconciled more easily at the end of each day as well, helping us to optimize our labor goals. From a marketing perspective, we will be able to easily track the number of gift cards purchased, and break down the data to maximize our marketing efforts.

We're currently composing our Standard Operating Procedure (SOP) for staff regarding this transition. Our new gift cards will be put in place once training is complete. During this time, we will publicize a redemption date for our current, NCG-issued, gift cards, as they can only be processed through an external terminal. We will be certain to provide shoppers significant lead time for their redemption of these cards.

Other routine IT matters this year included updates to our server, numerous and regular computer updates, repairs and the purchase of one new Dell laptop, updating the credit card machine on register 3, renewing our Access contract (printing, & Server/Antivirus) and much more.

The Co-op continually evaluates what technology we need to help with our daily tasks. We also consider the processes by which we will make sure our chosen systems are working well. As with most technology, situations change quickly and we'll continue to adapt as they do.

2022 CO-OP GIVING

Oneota Co-op's monthly Round Up at the Register campaigns are intrinsically tied to our community service commitment. This directive is outlined in International Cooperative Principle Number 7, "Concern for Community," and our Organizational End 7, "Our members are diverse and engaged, working together and sharing time, energy, and resources to build a resilient and thriving local community."

We thank Co-op shoppers for their generosity as we work to support our area nonprofit organizations and the communities they serve. In 2022, your Round Up contributions raised \$11,626.01 for 12 organizations representing diverse services throughout our region. We welcome you to view

them, and your contributions, on this year's graph. We also thank the number of applicants who applied. There are so many wonderful organizations in our midst; it is certainly difficult to choose 12 per year.

The Co-op also provides additional donations to numerous others on an annual basis. This includes youth organizations and many community/area events. Information about how to request a donation or apply as a Round Up at the Register recipient may be found at oneotacoop.com/about-us/community. The Co-op remains committed to serving its neighbors. We'll continue to give - and explore new ways to carry out this portion of our Mission and Organizational Ends in the months, and years, to come.

Round Up

Jan	Iowa Food Hub	\$1,159.77
Feb	Toys-Go-Round, Toy Lending Library	\$1,063.44
Mar	Winneshiek County Historical Society	\$965.78
Apr	Kadens Klostet	\$1,061.86
May	Kids Lunch Club	\$1,124.07
Jun	Queer Farmer Convergence	\$901.14
Jul	NEI3A	\$972.49
Aug	Winneshiek County Habitat for Humanity	\$698.58
Sep	SILT	\$847.95
Oct	Sunflower Child Development Center	\$910.06
Nov	Decorah Community Food Pantry	\$1,201.48
Dec	Friends of Decorah Public Library	\$719.39

2022 ROUND UP TOTAL: \$11,626.01



Food Equity

& THE DOUBLE UP FOOD BUCKS PROGRAM

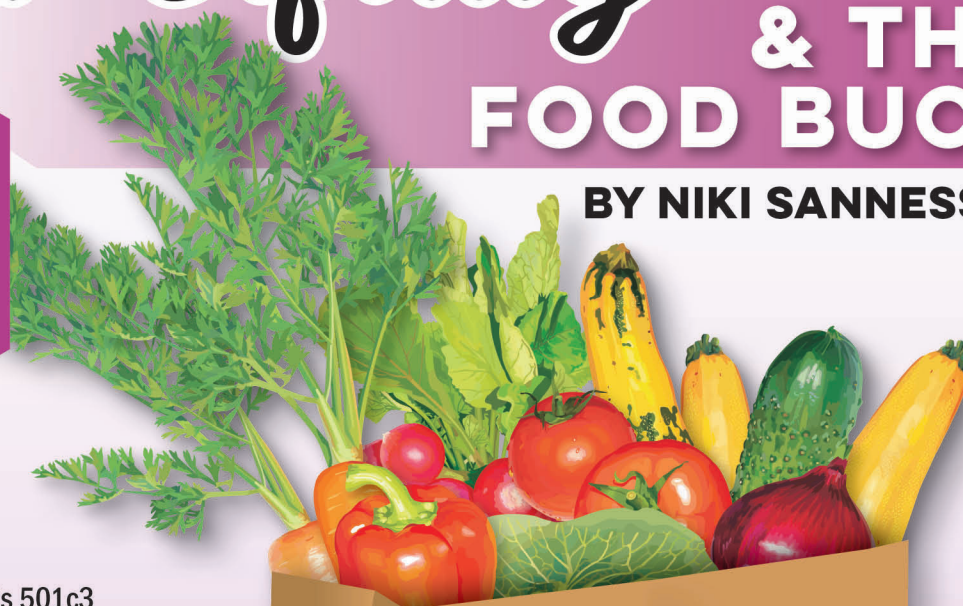
BY NIKI SANNESS, FINANCE & HR MANAGER



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.” 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 also will receive \$10 in DUFB to redeem in the future.

The Co-op has been a Double Up Foods 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.

Oneota Co-op is happy to be 1 of 94 locations that helped to place a collective total of more than 980,000 servings of fresh fruits and vegetables in the hands of approximately 62,000 food insecure Iowans in 2022. Your Co-op distributed 5,309 DUFB during 2022; we redeemed 5,578. Our SNAP sales total for 2022 is \$108,274. We remain committed to putting forth our best effort to serve our SNAP shoppers here at the Co-op.

2022 DUFB
@ THE ONEOTA CO-OP

Distributed - \$5,309 | Redeemed - \$5,578



BUY \$1

**FRESH FRUITS
& VEGETABLES**



GET \$1

**FREE FRUITS
& VEGETABLES**

DOUBLE UP FOOD BUCKS is a TRIPLE WIN for IOWA!



#1
**Iowans eat more
fruits & veggies**

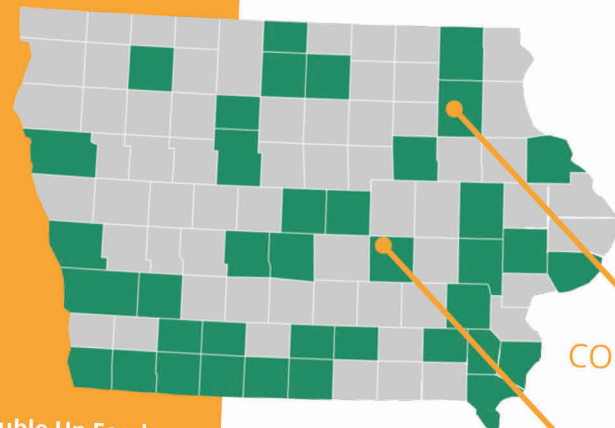


#2
**Dollars stay in
local economy**



#3
**Farmers sell
more produce**

DOUBLE UP FOOD BUCKS



35
COUNTIES

94
LOCATIONS

Double Up Food Bucks is a SNAP-incentive program in Iowa that matches food assistance dollars 1:1 on purchases of fresh produce at participating farmers markets and grocery stores.

LEARN MORE:
DoubleUpIowa.org

\$808,714
REDEEMED IN 2022



980,260
SERVINGS OF PRODUCE

61,734
IOWANS BENEFITED

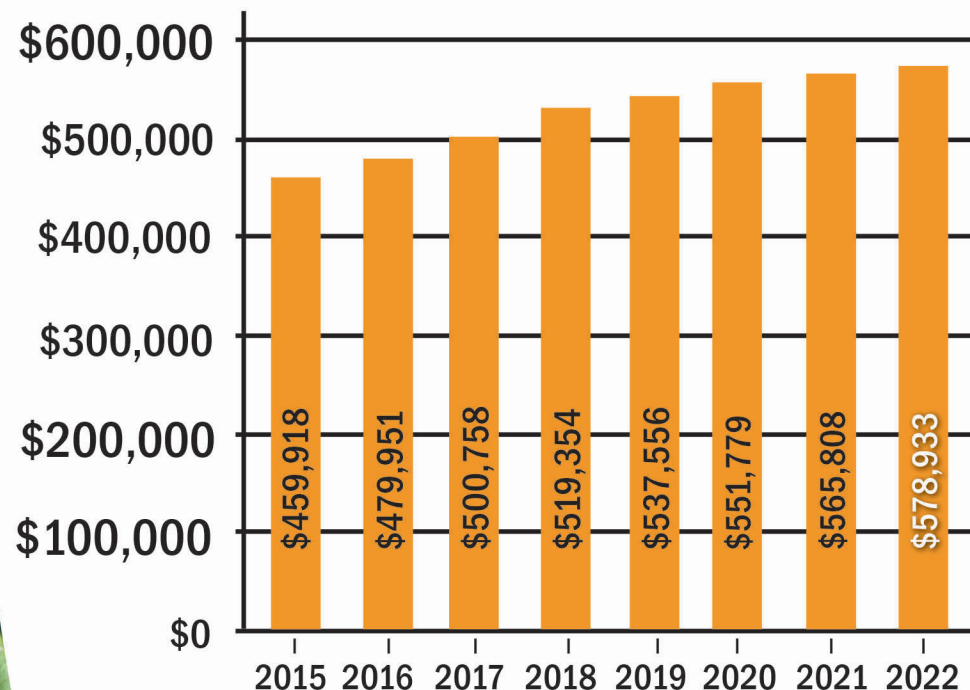


Graphic from the Double Up Food Bucks 2022 Annual Report.
See more at iowahealthieststate.com/webres/File/Healthy-Hometown/DUFB/DUFB%20AnnualReport%202022.pdf



OUR OWNERSHIP
CONTINUES TO
GROW

OWNER SHARE EQUITY



2022: 5,428

2021: 5,322

2020: 5,228

2019: 5,103

2018: 4,943

2017: 4,768

2016: 4,590

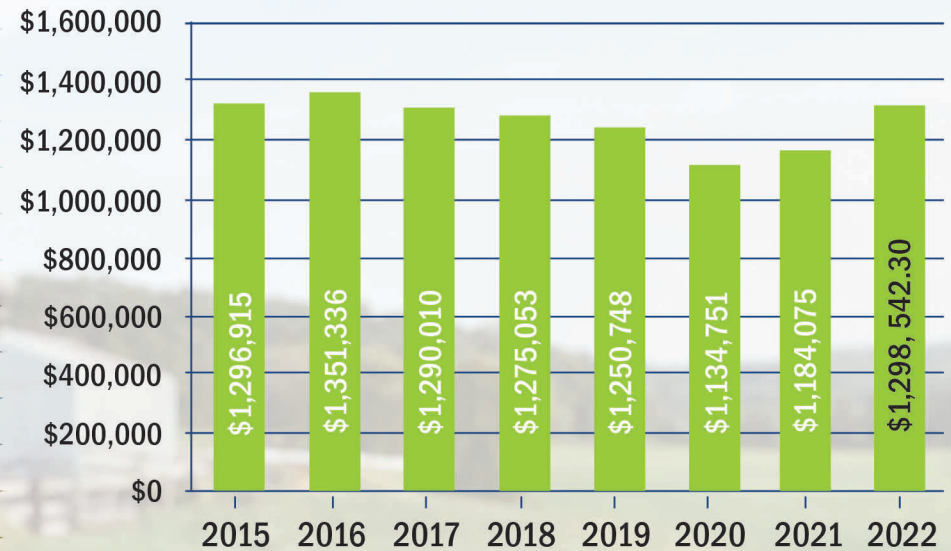
2015: 4,426

TOTAL # OF OWNERS

OUR COMMITMENT TO LOCAL

Photo courtesy of Maren Beard, Luna Valley Farm - Decorah

ANNUAL LOCAL SALES



2021 Percentage Total Store Sales = 24%

Sales in Dollars = \$1,184,075

2022 Percentage Total Store Sales = 25.88%

Sales in Dollars = \$1,298,542.30

A TASTE OF TOP SELLERS

- Quantities sold in 2022 -

Produce

local bagged apples	4,584 lbs
local bulk apples	610.83 lbs
total local apples	5,194.83 lbs
local beets	2,026.91 lbs
local onions	6,114.09 lbs
local sweet potatoes	5,752.07 lbs
bananas - organic & fair trade	28,793.22 lbs
avocados	19,341 units

Oneota Deli

deli cold sandwiches	19,072 units
deli hot sandwiches	16,974 units
deli hummus	923.93 lbs
deli composed salads	5,294.90 lbs
deli cakes	2,762 units
deli cookies	12,899 units

Wellness

probiotic selections	754 units
vitamin selections	1,697 units
essential oils (Aura Cacia Co-op)	1,721 units
candles	976 units

Packaged Grocery

SOGO Snacks (Dan & Liza Belrichard)	5,049 units
local Hollyhock Cottage bread (Lynn Staley)	3,580 units
local God Dag Baking lefse (Linda Brink)	1,718 units
canned beans	5,114 units
Muir Glen canned tomatoes	75,768 oz
Lindt Lindor truffles	9,548 units
Chocolove chocolate bars	9,531 units
Field Day pasta varieties	3,396 units

Dairy & Chill

local WW Homestead milk	1,676.16 gal.
local WW Homestead cheese curds	918 lbs
local Country View Dairy yogurt	3,097.46 oz
local eggs	146,196 eggs
non-dairy cheese	2,251 units

Frozen

local Sno Pac fruit	1,352 units
local Sno Pac vegetables	5,422 units
Alden's Organic ice cream	1,600 units
Talenti gelato & sorbetto	2,754 units

Meat & Fish

local beef	453.21 lbs
local ground beef	1,422.89 lbs
local fish	483.64 lbs
local turkey	2,745.47 lbs

Meat Alternatives

tofu	2,848 units
total meat alternative products	4,940 units

Bulk

honey	2,137.75 lbs
maple syrup	676.73 lbs
bulk oat varieties	4,896.64 lbs
bulk peanut butters	2,234.49 lbs
bulk water	18,023 gal.
bulk nuts	6,320.70 lbs
bulk coffee	5,837 lbs
bulk herbs & spices (Frontier Co-op)	857 lbs

