



**ONEOTA
COMMUNITY
FOOD
COOPERATIVE**
decorah, iowa

2023 ANNUAL REPORT



A LOOK BACK AT YEAR 49. CHEERS TO YEAR 50

*“Do the best you can until you know better.
Then when you know better, do better.” - Maya Angelou*

BY NATE FURLER, GENERAL MANAGER

I am happy to say that the Co-op had a good year in 2023. Concerning finances, the Co-op has maintained a sound financial footing. The mortgage on our main building will be paid off mid-2024. Wages and benefits have increased - meeting and often exceeding inflation rates. Our metrics point positively toward business decisions that have carried us through the pandemic/endemic thus far and ensure that we continue to pay off long term debt, increase employee satisfaction and fulfill member and shopper expectations.

We began the year focused on stopping a hemorrhage of margin dollars that occurred over the prior year (2022). The majority of this loss occurred in our Center Store department. This department is the Co-op's largest and includes packaged grocery, bulk, frozen, refrigerated and bakery items, and wine and beer. Other impacted departments were Deli and Wellness. Each department experienced different circumstances that resulted in not meeting margin goals. In Center Store, it became clear that we had not adjusted quickly enough to the changing landscape of increasing cost of goods, staffing struggles, supply issues and consideration of shopper price expectations. Changes were quickly made. It took approximately three to five months for us to accumulate data indicating that our modifications had sufficiently halted loss. We began an upward projection, evaluated the lessons learned, and continued on our path of sustainable growth.

While the Co-op has continued to navigate inflation, we remained hopeful as we watched percentages decrease in the final quarter of 2023. The year began with a historic 10.1% consumer price index (CPI) increase on food costs. These numbers, however, decreased as follows: February, 9.5%; March, 8.5%; April, 7.7%; May, 6.7%; June, 5.7%; July, 4.9%; August, 4.3%; September, 3.7%, October, 3.3%, and November, 2.9%. This is a stark contrast to 2022's overall CPI food percentage of 9.9%, with its highest month, August, registering at 11.4%.

Many strategies were put in place in 2023 to address inflation while maintaining value. These were based on further recommendations via National Co+op Grocers (NCG) and the needs of our specific store. They will be maintained and further developed in 2024. These factors include shopper interest/investment in: “natural” products, with shoppers increasingly turning to food as medicine; businesses with a demonstrated model of fair employee treatment; organizations addressing sustainability issues (one in four Americans report that climate change impacts their food choices); attribute-conscious consumerism (specifically led by Millennials); and lastly, a significant focus by consumers on store-specific, “value” branding.

Value has always been a key component to what we stock on our shelves and the service we provide. This value is perceived differently by different people and all depends on circumstances. As far as price is concerned, being

able to win the price war against a behemoth like Walmart or another sizable grocer like Hy-Vee or Fareway is an optimistic goal. Not only are these organizations able to secure better cost of goods pricing from distributors due to their sheer size, but their product mix is often skewed towards those made as cheaply as possible rather than heavily factoring in ethics, sustainability, and long-term health. These are qualities that we view in high regard and challenge ourselves to prioritize in the face of such dramatic external pricing influences. We participate in the dance, and through our various methods are able to remain viable and even thrive. Your purchases and support through your smiles, comments, questions, and concerns, keep the fire burning.

Fortunately, as part of our larger cooperative of food co-ops (National Co+op Grocers), we are able to combine our efforts to reach various price points with programs such as Co+op Basics and Co+op Deals. We continue to follow NCG recommendations regarding product and price considerations on these increasingly popular store items. This specifically aligns with NCG's recommendation to offer shoppers options to “trade up or down” via price points on same or similar products.

As we address 2024, our 50th year of operation, we also consider value as a word with multiple meanings, and ones pertinent to us. We find value in the good we grow - through the products we choose to make available, through our giveback community initiatives, and through

the Co-op community itself. Our “value” is a seed that thrives because of our efforts, and provides sustenance to its surroundings. We find value in our member-owners and all those who shop the Co-op.

Our recent 2023 survey gave us insight into the minds of our members and shoppers. Results (percentages per category) included the following indicators that identify our consumers and reflect their patterns and preferences.

High marks in the “excellent” category: 62.12%, store cleanliness; 53%, location/convenience; 48.48%, quality, freshness; 46.97%, knowledgeable staff; 45.45%, atmosphere/ambiance; 45.31%, speed of checkout.

High marks in the “good” category: 54.55%, hours of operation; 51.52%, natural/organic selection; 49.23%, brand availability; 46.97%, local foods selection.

Results in the pricing category are: 40.91%, “fair”; 34.85%, “good”; 7.58%, “excellent”.

An aging “average” shopper is something the Co-op is aware of. Individuals aged 50-64 represent 34.09% of respondents and ages 65 and over saw a percentage of 23.86%. Respondents aged 35-49 came in third, at 21.59%. We continue to explore the factors behind these percentages and devise means to target a wide range of consumers to ensure long-term viability.

Those identifying as female were 61.36% of respondents. “I prefer not to say/I identify my gender as” totals were 6.82% and 2.27%, respectively. Member/owners represented 75.06% of respondents. Thirty-four percent of shoppers travel 10-25 miles per trip. The two-adult household percentage is 61.36% and 77.27% of shoppers indicated no children at home. Four-year college degree holders are 27.85%, 22.76% indicate “some college” and 15.19% hold post-graduate degrees. Twenty-nine percent report an annual household income of \$50-75,000, 27.85% report \$75-\$100,000 and 20.25% show a household income of over \$100,000.

We learned that 46.84% of shoppers receive Co-op information via Facebook, Instagram or Twitter, that

36.71% consult our website, that 35.44% seek in-store postings and that 25.58% report email/e-newsletter as their preferred source. Other primary sources included decorahnews.com and our local radio and newspaper. Thirty-five percent of respondents invest \$50-\$100 in the Co-op weekly and 35.62% spend \$100-\$150 during the same time period. A “very important” percentage of 37.29% was reported on Co+op Deals sales, with Co+op Basics registering 25.42%. Further numbers provided insight on specific departments, the use of online sourcing, local/regional competitors, and initiatives such as CSA, farmers markets and Iowa Food Hub.

I have written various articles and messages where I refer to growth. You may have noticed that I am careful to include the word sustainable as a descriptor for the word growth each time. I feel it is important to use this word rather than leave someone to interpret our growth as simply for the sake of growth. There is so much more to it for us than building a bank account. We’re here to build connections, conversations, and community - by providing organic, locally produced, and bulk foods, as well as other products and services that are sustainable for those who consume and produce them. We rely on our sales dollars, and the resulting margin dollars we make from each sale, to keep our business (and mission) going. We keep our margins as tight (low) as possible while still growing the good of our mission for the community we directly serve and those we impact from afar.

In the rare moments where I sit still, I like to dream of the wealth of possibilities in a world where our store sales would be growing fast enough to meet the aspirations of our creative and driven staff and members. We have amazing and gifted folks that are just waiting to positively impact the world - locally and globally. If only our sales increases could keep up with our creativity. What if they did?

After three years in this role my brain immediately goes to arithmetic. Our average weekly transactions number about 3,000. Of this, let’s dream about the possibility of customers choosing to shift \$5 of additional spending to the Co-op. This could be local veggies or a deli

sandwich, bath salts or lotion, or perhaps chocolate or chips from the Co-op versus elsewhere. If half of those transactions jumped \$5, that would amount to an increase of \$390,000 over the course of a year. If all 3,000 transactions jumped \$5, that would be \$780,000. This illustrates a gross sales increase, so factoring in cost of goods is a factor as well. This eats into this number, but still leaves a considerable amount to dream about.

Take it further and entertain the impact. Local sales of products through the Co-op totalled roughly 26% of our total sales (which numbered \$5.3 million in 2023). If that ratio (26% local) remained the same for these additional sales, that’s another \$100,000 to \$200,000 investment in producers within 100 miles of the Co-op. There’s no question of the good this would provide our local producers. Internally, the net profit on the total additional sales could translate to more building improvements, increased wages and benefits for staff, or even additional labor hours. In my brain, this translates to more time and energy towards growing the good we have our sights set on as an entire organization.

We’ve got good things to look forward to, and even more possibilities with the combined impact of over 5,000 members. Thankfully, we’ve had 49 - nearly 50 - years to carefully cultivate the bylaws and organizational Ends which provide ongoing guidance and pursuits. We’re a healthy organization that’s been made so through careful management of “input and output” by many people, over many years. We value considerations centered around the sustainability of the Co-op for today, and for future generations. We find value in not simply making, or spending, money for the sake of doing so but for the value the Co-op mission brings to our regional community. We are fortunate to be in the position to make these considerations. Last year I said that I was just feeling able to catch the view atop the very long hike the past few years has presented. My small glimpse has grown into a panoramic view. Myself, and your Co-op staff, look forward to what it presents and to serving you on the journey.



IN GRATITUDE:

A Perspective from Six Years of Service

BY SCOTT TIMM, BOARD PRESIDENT

The Co-op and I have one thing in common - we're both rapidly approaching our 50th birthday. Well, in all honesty, I've got a couple years to go - but it still rings as an interesting perspective to reflect about it that way. The market, the environment, the world is radically different than it was 50 years ago. As a responsible(ish), middle-aged adult, I start to think more about taking steps to protect what I've worked so hard for while still figuring out how to grow, enjoy life, embrace change and help others. Change isn't always fun but it usually is necessary (or inevitable). Stewardship of what we have, focus on improvement and growth, and active engagement in making the world a better place are all hallmarks of getting old...I mean...mature. I am grateful for the opportunity I have had to serve with so many great member owners over my six years on the Oneota Co-op Board, and grateful for all the past board members and founders who set such a strong and stable foundation for the Co-op.

As I finish up my 6th and final year of board service, I cannot help but think about how unique each board and each year's experiences have been. In the last six years we organized a campaign to upgrade the store facilities, performed a search and hired a new GM, dealt with Covid, updated our Ends, created a new strategic plan, and have now bounced back from the ripples of the pandemic to watch in amazement at a phenomenal year's performance

for Oneota Co-op. The Board would like to offer our sincere appreciation for the hardworking and wonderful Co-op staff, its leadership team and Nate for their diligent work and foresight.

So what was the Co-op Board up to this year?

This past year the Board's work began with a retreat in May, reflecting on our 2022 strategic plan and setting goals for our work in 2023 based on outlined priorities and strategies we came to consensus on the year before. We set goals for 2023, tackled some new projects, and made some adjustments. It was a very productive year, in which the Board focused on improvement both internally and externally.

We critically examined the way our board functions and is structured, and a committee discussed and brainstormed ideas for improvement. Perhaps our biggest structural change came in our approach to policy monitoring. The Board is responsible for reporting on and/or approving 32 policies throughout the year. Some of these reports are submitted by the general manager, and others are completed fully by the board. The standard practice for reports completed by the board was to assign each to a board member to compile and complete. Thus each report was very much interpreted only through one person's lens. Since last fall, our new method is to critically review the upcoming month's policies in our Board Learning agenda

slot, and then together as a whole board we complete the policy review and report compliance or non-compliance one month later during the regular meeting. If edits to the policy are needed, we approve and adjust. This means the entire board is responsible each month for the policy review and a much richer, thorough discussion ensues on whether we are in compliance with our policies and reports from Nate. In addition, we reviewed every single policy to see if the report is appropriate, reasonable, and uses appropriate/useful metrics and inclusive language. Our powerhouse of a secretary (Detra Dettmann) also streamlined our agenda process, improved the annual calendar, and overhauled the Board's Google Drive. These were major projects that will be helpful in the future. Detra rocked it this year.

The Board also performed a deep inspection of our own skills and experience, creating a skills matrix reflecting our strengths and weaknesses across the entire group. Rich discussion over our strengths and potential gaps in skill sets helped inform recruitment, since we objectively identified which attributes we should be looking for in prospective board members. It also helped identify areas where we could use professional development. Board members attended workshops titled Explorations in Policy Governance, Trends and Practices in Board Compensation, Navigating GM Compensation and Evaluation, and Leadership. This time of year, the

secretary has also made it a practice to include upcoming workshops on the agenda to help encourage board members to seek professional development.

Externally, we worked to connect with the membership through monthly potlucks and the Fall Frolic event at Luna Valley Farm. Of course, we are all excited to kick off our 50th anniversary at this year's annual meeting, and we already have Luna Valley Farm booked for the 2024 Fall Frolic. We also considered another facet of outreach, and the board expressed interest in contributing to the collective effort. So we examined how we might move the needle on several parts of the mission of the Oneota Community Co-op, specifically these Ends:

END 2 Building thriving local food systems and encouraging the expansion of locally-grown food sources.

END 4 Promoting and exemplifying cooperative principles of business.

END 7 Cultivating a diverse and engaged membership that works together and shares time, energy, and resources to build a resilient and thriving local community.

The Grow the Good Grant Program was created as a method for the Board to help directly facilitate new local producers and support those already doing great

work. Hannah Breckbill and Brennan Allsworth led the effort creating a partnership with the Iowa Food Hub (for grant distribution and technical assistance), developed outreach materials, reached out to donors, developed an application process and scoring matrix, and created a review committee. The rest of the Board regularly provided feedback and check-ins, helped support the process, and cheered them on. Together as a community, including



your support through Round Up at the Register and contributions from other local and regional businesses, we raised over \$12,000 in grant funds to distribute to help expand locally-grown and produced products for our community.

It has been an absolute pleasure to serve on the board this year - this group hit their stride, worked extremely well as a team, and are functioning at a high level of professionalism. Board members are serious about their work and commitment to our mission. This is a wonderful board, and I am genuinely excited about the two soon-to-be members. There will be a wonderful and diverse group of folks working as stewards of the wonderful legacy of the Oneota Co-op. The working relationship we enjoy with our GM is fantastic, and we are all grateful for the leadership, hard work, dedication, transparency and openness to feedback that Nate brings. Nate's leadership team, and the entire Co-op staff, continue to be the superstars of the show, and the Board is proud to represent the membership in furthering our collective mission and vision. Onward and upward. Here's to 50 more!

In Partnership,

Scott Timm, on behalf of the Oneota Co-op Board of Directors





Abbreviated **PROFIT & LOSS**

	2023	2022	2021
SALES	\$5,321,543	\$5,021,329	\$4,920,248
Cost of Goods Sold	\$3,279,362	\$3,225,114	\$3,112,630
GROSS MARGIN	\$2,042,181	\$1,796,215	\$1,807,618
Operating Expenses:			
Personnel	\$1,227,722	\$1,162,514	\$1,116,395
Depreciation & Amortization	\$125,148	\$122,567	\$124,155
Facilities	\$185,875	\$177,695	\$159,135
Marketing	\$47,069	\$37,538	\$49,882
Supplies	\$66,148	\$44,209	\$43,280
Interest	\$33,758	\$32,138	\$35,441
Discounts	\$94,141	\$104,116	\$106,282
Patronage Dividend	\$0	\$0	\$0
Other Operating Expenses	\$170,484	\$170,928	\$162,427
PROFIT ON OPERATIONS	\$91,836	(\$55,492)	\$10,622
Non-Operating Revenues & Expenses:			
Less Board Expenses	\$25,333	\$20,455	\$22,958
Plus Other Revenues	\$24,405	\$31,690	\$291,494
EARNINGS BEFORE INCOME TAXES	\$90,909	(\$44,257)	\$279,158
Income Taxes	\$24,870	(\$11,496)	\$9,022
EARNINGS AFTER INCOME TAX	\$66,039	(\$32,761)	\$270,136

BUILDING OUR BALANCE SHEET

	2023	2022	2021
Assets			
Cash	\$467,334	\$327,305	\$420,910
Other Current Assets	\$340,084	\$303,415	\$270,248
Other Assets	\$1,614,411	\$1,757,338	\$1,874,944
Total Assets	\$2,421,829	\$2,388,058	\$2,566,103
Liabilities			
Current Liabilities	\$339,021	\$359,931	\$441,578
Long-Term Liabilities	\$734,568	\$755,514	\$832,276
Total Liabilities	\$1,073,589	\$1,115,445	\$1,273,854
Equity			
Owner Shares	\$588,523	\$578,933	\$565,808
Preferred Stock	\$64,200	\$64,200	\$64,200
Retained Earnings	\$525,500	\$558,263	\$288,126
Retained Patronage Dividends	\$103,978	\$103,978	\$103,978
Net Income	\$66,039	(\$32,761)	\$270,136
Total Equity	\$1,348,240	\$1,272,613	\$1,292,249
Total Liabilities+Equity	\$2,421,829	\$2,388,058	\$2,566,103

2023 BY THE NUMBERS

Annual Sales: \$5,321,543.14

Total number of employees: 52

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

Total number of owners who have equity with us: 5,495

Percentage of sales to owners: 76.80%

Number of new owners: 67

Total owner investment: \$588,523

Total donations to our community: \$18,472.90

Sales of local product: \$1,402,646.54 (26% of total store sales)



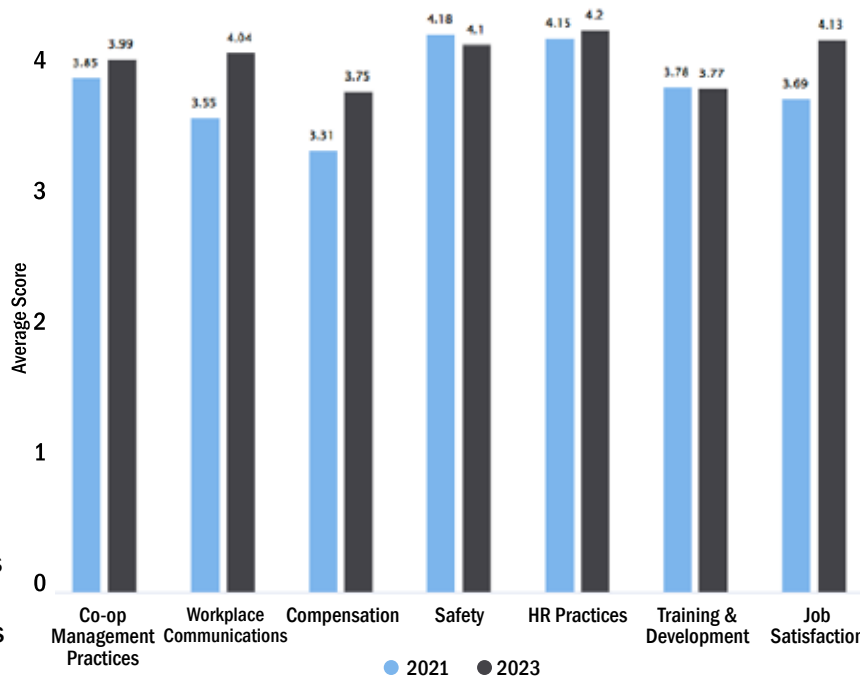
2023 IN THE ONEOTA CO-OP HUMAN RESOURCES DEPT.

BY NIKI SANNESS, FINANCE & HUMAN RESOURCES MANAGER

The Co-op completed significant HR projects in 2023. We began the year with the addition of new employee benefits. The Co-op now offers short and long-term disability, life insurance and optional dental and vision options. Late Q1, we started the migration over to a new payroll and human resources system. Transitioning data from our old system (Paylocity) to our new one (Paychex) took some time; but this seemed to be an easy progression for most employees. One of the benefits of the new system is having company policies easily available to all employees to reference in downloadable PDF format...all in one place!

The next HR project we worked on was revamping our annual performance reviews. Previous reviews were cumbersome for both supervisors and employees, which left quite a few 2022 reviews significantly behind schedule. Informal feedback from managers and staff was that the new format was easier to navigate and the feedback employees received was more productive. With the revisions we made, we were able to get ALL employee reviews completed within the expected timelines in 2023.

We conduct a staff survey every year. We alternate between an in-house run survey and an outside company performing the survey. This is one of the tools that we use to help direct what some of our focus needs to be on.



What are staff telling us we need the most improvement on? What are they happy with? These are just a few of the many questions for which we seek employee input. Overall, the 2023 results were good. Out of 35 questions, 34 scored 3.5 or higher (on a 5 point scale); this indicates that overall employee satisfaction continues to be relatively high. We scored below a 3.5 on one question. This inquiry centered on evaluation of our 2022 performance reviews, so we were on the right track with knowing these needed to be revamped.

The 35 questions on the survey can be summarized into seven different categories as shown on the graph to the left. As you can see, we improved in nearly every one of these categories since the 2021 survey. Our biggest strides include communications, compensation and job satisfaction.

We accomplished significant goals in 2023, and we have great plans for continued improvements to work on in 2024 and beyond.



CATEGORY MANAGEMENT IS 2023 CENTER STORE FOCUS

BY PHIL JAHNKE SAUER, CENTER STORE MANAGER

Category/SKU (stock keeping unit) management was a primary focus of the grocery department in 2023. Identifying, tracking and organizing inventory is a critical practice in a retail environment. We must have items on the shelves that sell on a consistent basis, as this allows us to gain as much revenue as possible per square foot. We have a relatively small store, yet a high demand for a variety of products. Proper SKU management is an essential component of the Co-op's financial well-being.

The National Co+op Grocers (NCG) Core Set program goes hand in hand with our inventory management practices. This category management tool allows us to bring new or great-selling products at a competitive price to our shoppers. There are many Core Set products NCG co-ops (like us) are required to carry, including our Co-op Basics (identifiable by purple signage). NCG also determines our Co+op Deals cycles.

I wasn't always a believer in the level of decision-making NCG has on the products shoppers find on our shelves. But I'm a firm believer in their capacities now. National Co+op Grocers has the best interest of its member cooperatives at its core. Their collective buying power

is essential for cost control as well as vendor and distribution efficiencies. We are provided with vendor support, new product fills and tutorial and promotional products and information.

Each NCG co-op, including us, retains the ability to choose for the most part what new products we bring to the store or what items we stop carrying. It's important for shoppers to realize that for a product to stay on the shelf it needs to sell and be profitable for the store as a whole. What shoppers buy - and more specifically, how often - plays a crucial role in the product mix we carry. We're very receptive to carrying products customers request - as long as they're available, and they sell. Recently a shopper requested we stock several items, and we did so. Shoppers have continued purchasing these items, which ensures the product remains on the shelves.

As you can see, I've discussed product selection and inventory management at length. Navigating shopper requests, of which there are many, with overall sales benchmarks is something the Co-op spends considerable time on. In 2023, we put 803 new items on our shelves. This number represents a combination of shopper

requests alongside vendors made possible by our NCG relationship. Broken down per center store department, the product numbers are: grocery, 449; bulk, 32; frozen, 23; chill, 81; bakery, 13; wine and beer, 205. Popular items have included A2 and grassfed yogurt, Omsom noodles, N/A beers, CBD drinks, Liquid Death waters and teas, Bubbie's mochi ice cream flavors and more. In our beer/wine department, efforts have also been made to focus on increased wine selections crafted by producers dedicated to natural, sustainable, regenerative and/or organic practices.

Moving forward, shoppers may experience some price relief in bulk foods as well as select grocery staples. These may include, but are not limited to, cold cereal, baby foods and various soups. Our continued work on space management will result in space for additional products and space for sales items. As usual, be sure to watch for in-store signage which reflects new products and savings. Visit oneotacoop.com/sales, sign up for the CommPost (e-newsletter) and visit us on Facebook, Instagram and X to remain up to date with new product offerings and sales at the Co-op.

NEW DESK, NEW DIGS, SAME GREAT CUSTOMER SERVICE

BY GRETCHEN FOX SCHEMP, WELLNESS MANAGER



2023 saw some exciting and long-awaited changes for our wellness area with the expansion of the wellness desk. The addition of a dedicated customer service desk for wellness was much needed and we were so excited to see this little dream come to fruition! You can now view our selection of CBD products and shop hydration and drink packets with greater ease. This extra workspace is monumental for wellness staff when processing orders, which we do on the floor so that we are available to offer customer service at most hours of the day.

Our wellness team continued to grow as we had the opportunity to cross-train another staff member. It is always helpful to have more staff that can assist in an area as specific as the wellness department. As our sales continue to grow, additional help is invaluable to our customer service goals.

This past year saw growth for our body care sub-department above what we have seen in many years. We have tried turning the curse of vendor out-of-stocks into an opportunity by reaching out to new companies and finding new brands to freshen our shelves. Many of our mainstay vendors offer limited “drops” on seasonal items which generate excitement and keep things fresh with new scents and products quarterly. New product offerings and a full staff are key components to our sales growth.

Social media influencers brought it pretty heavily this year, introducing many first-time users to castor oil, specifically. As a result, our sales soared, manufacturers struggled to keep up with production and we worked to accommodate new shoppers while providing product to long-time castor oil users. Fortunately, we accessed our many vendors and stayed stocked with only a short interruption. Castor oil is still raging in popularity and now many more people are aware of its benefits.

In the supplement arena, out-of-stocks have been a bigger issue this year with many manufacturers having issues sourcing quality, safe raw materials. Ingredients are important. They are important to us and they are important to our brands, and if you’re shopping with us, I’m guessing they’re important to you too. While it can be frustrating to not find your usual product in your familiar brand, knowing that the companies we work with are prioritizing your safety is meaningful. It is tireless work to fill product gaps with safe alternatives, but it is important to us. We do our very best to ensure high quality options are on our shelves.

We are fortunate to live in a community that embraces natural healing solutions. We work in tandem with local practitioners to stock products they recommend to their clients. These relationships are invaluable to our work

here in the Oneota Co-op Wellness Department.

Here’s to another year of great customer service and growth.





BUILDING AND STRENGTHENING FOUNDATIONS

BY MERCEDES MARTIN, FRESH MANAGER



When I started in September of 2019 I was fortunate enough to take the produce reins from a strong and incredibly knowledgeable leader. A little while later, we restructured the store a bit, and I took on the meat and cheese departments as well. I found myself moving from produce manager to fresh manager (a title I have thoroughly enjoyed). Throw COVID-19 into the mix, and man, it has been quite a ride.

Four and a half years later, it is my turn to move forward to pursue my dream lifestyle. It is nearly impossible to encapsulate the last 4.5 years of my time at the Co-op without writing an entire novel - from all of the people I've met, connections I've formed, knowledge I've gained, and life skills I've developed. I want the Oneota Co-op Fresh Department to be everything it has been to me for everyone who puts on an apron and picks up a prepping

knife. Upon reflection of 2023 specifically, an overarching theme has developed for myself - the importance of a strong foundation.

Employee turnover is the nature of the beast for grocery stores. A solid amount of our employee base includes students or part-time workers. We always welcome these eager learners into the fold with the knowledge that they will not always be with us for very long. It's hard to see our employees move on, but we all know that it's generally what is best for them. We can only hope that we have helped develop them into employees who have strong work ethics, morals, and a deep value of work/ life balance during their time with us.

It has been very apparent to me throughout my time with the Co-op that fast but effective training is how to best utilize our part-time or seasonal help. Training and

accountability systems put in place and refined in the Fresh department during 2023 have been developed with this in mind.

2023 was not only full of solidifying training, but also expanding and strengthening the base level of the fresh department as a whole. From working as a team to identify best practices, focusing on and talking about mental health, to documenting and effectively communicating systems, we have made a strong base to continue to grow upon. The fresh department is a living being that constantly changes and evolves, but with a strong foundation, anything is possible.

As I move on, I am excited to see what the future holds for this fresh department. I have faith that the work we've put towards building a solid foundation will continue to support growth for the years to come.



CO-OP DELI CONTINUES TO REBUILD IN 2023

BY MELISSA PALMER, PREPARED FOODS MANAGER

Deli department sales in 2023 outpaced those of 2022 by 12.2% percent. There were multiple days where the deli was responsible for 10% of daily store sales. This is good news, especially considering the past pandemic years and resulting rebuild efforts. We credit a portion of this accomplishment to the continuing popularity of our deli sandwich punch cards.

There are multiple factors that contributed to 2023 successes, not the least of which is staffing. The deli was adequately staffed during most of the year. This means more trained employees and the ability to produce more product for the grab and go case, the hot slide, and the pastry case. We were able to reach a position where staff were trained in multiple areas - hot and/or cold sandwiches, salads, opening the deli and closing the deli. Time has been spent fine-tuning our products and our recipes. This hasn't happened in the deli since the pandemic.

Our shoppers often have specific, and intricate, questions. A trained, knowledgeable staff is better able to assist customers. Thanks to "Falafel Friday," this day of the week is now our busiest, with 27+ falafel sandwiches included in each Friday's deli sales report.

Adapting to changing circumstances continued to be a theme this past year. I've focused on the importance of a good line of communication between vendors and Co-op staff. Reduced product options from one of our vendors impacted us specifically from June through November,

2023. I was in the position of needing to find a new vendor for croissants. The deli uses a large number of croissants for our hot breakfast sandwiches, grab and go case sandwiches, and individual croissant sales. We pivoted to a new vendor. We experienced this in other supply areas as well, including the prepared salads we relied upon during our highest short staffing periods. We fortunately were able to resume the creation of more in-house created salad options. Doing so required staff input and effort.

We continue to use as many local ingredients as possible. Our ground beef needs increased as our lasagna, spaghetti and sloppy Joe sales climbed. We partnered with County Line Locker of Riceville to secure additional ground beef. Our Thanksgiving catering did well in 2023 and we were able to include local products in these meals. We're fortunate that local beets and red onions were available to us the entire year. Deli staff participated in visits to local farms this year. It was great for them to experience where the food they work with comes from and strengthen their relationship with the

food they produce for others.

Our future goals include continuing to work toward efficiencies that further deli processes. This involves all aspects of our deli, from sourcing food, to production, to our facilities and staffing. Each efficiency may seem small in itself, but each matters in our overall picture.

We look forward to an increased focus on seasonal items as well as a stocked deli case during community events. The deli is in a much different position than it was three years ago. It's one we'd like to grow upon and lastly, a large portion of that depends upon remaining staffed. As I write this in the first quarter of 2024, we're again in a hiring position. Our deli starting wage is \$15/hr for part or full time deli employees. We are doing everything we can to recruit, and retain, employees and fulfill our goals for the Oneota Co-op Deli.





CHANGES TO DOUBLE UP FOOD BUCKS, GIFT CARDS & MORE I.T. UPDATES

BY THERESA KLEVE, INFORMATION TECHNOLOGY MANAGER

2023 was a full year for the Information Technology Department at Oneota Co-op.

Possibly the two most significant projects for IT this past year are developments with the Double Up Food Bucks (DUFB) program and changes to our gift card processes.

Double Up Food Bucks began in 2009 as a pilot program in Detroit, Mich. This program is now used in over 25 U.S. states. Double Up Food Bucks provides SNAP users with \$1 earned for every \$1 spent on fresh fruits and vegetables. This program helps put fresh fruits and vegetables on the tables of many people, supports local producers and fosters our organizational Ends. Oneota Co-op is happy to be 1 of 94 Iowa locations that helped to place a collective total of more than 713,331 servings of fresh fruits and vegetables in the hands of Iowans.

contracted company) into their systems. When the time came to roll out the project, DUFB realized that they had not figured Iowa's three food co-ops (Oneota, New Pioneer and Wheightsfield) into the equation. None of Iowa's food co-op have a POS that was specifically coded for this DUFB transition. In October we (and our fellow co-ops) scrambled to figure out how we needed to implement this into our store, as we were told we could not stay with the paper format (which we were initially provided with an exception for) or use tokens like the farmers markets were permitted to do. We received a tablet and a card reader from the state of Iowa to process these transactions externally. In the IT department, I began testing the system, trouble-shooting, finding solutions and creating a SOP on how to process DUFBs. Since the Epic program does not integrate into our POS system, we have to complete each transaction manually. Our efficiency is slowed by the manual swipes involved in this new process and the increased length of an EBT shopper's transaction. Our goal is to try to do this as discreetly as possible for the customers. This continues to be a work in progress.

With this new program, a lost card is easy to replace and we are able to do that at the Co-op. The DUFB card system dollars still expire in 90 days like the previous paper ones. Expiration dates are April 1, July 1, October 1 and January 1 annually. A SNAP shopper may now check their DUFB account balance online or at a participating location. Our cashiers are equipped to assist shoppers with establishing a DUFB account and issuing them a card. Locally, DUFB can be used at any Hy-Vee, Fareway,

Decorah Farmers Market and here at the Co-op. Walmart does not participate in the DUFB program. A DUFB card cannot be used via self check-out.

Gift Card Update - We will be honoring our previous, National Co-op Grocers (NCG)-issued gift cards until mid-summer 2024, as NCG has retired its gift card service. This date allows time for shoppers to spend gift card balances or place into a declining balance (if they are a member). We now offer our own Oneota Co-op branded gift cards. Doing so required establishing new transaction methods and training for our cashiers. Our POS, like that of many food co-ops, was coded long ago to process NCG-issued gift cards. Our new method has come with a learning curve, but overall has been working well. Our system, for example, will not let us process more than two gift cards at a time, either from buying them or using them. We've created a workaround to facilitate customer service and continue to train staff and refine our POS. A nice thing about our in-house gift cards is if you are a member of the Co-op, you can take your physical gift card and put it on your declining balance should you choose. We then clean

This year DUFB switched from paper coupons to digital cards. This has presented challenges for the Co-op. During this transition, the state of Iowa worked directly with Hy-vee and Fareway's POS to be able to implement the coding from EPIC (the



and recycle that gift card for future use - something we could not do, and that increased waste, with our former NCG-issued cards.

We invested in new temperature sensor hardware for the coolers and freezers. These new Monnit sensors are used by the United States Army, John Deere, 3M and many other well known companies. Each sensor's battery life can last up to six years, and we now have 30 of these monitors in place. These units will alert staff if a freezer or cooler is not at its desired temperature.

IT worked this past year to update our multiple printers. Our printer contract is with Access Systems of Des Moines, and has been for the past three years. When our contract was up, they switched out the older printers and replaced them with new printers. Our contract provides for ink supply troubleshooting and renting of the printers. Switching to this has freed up my time for other immediate tasks. Our previous variety of printers did not use the same ink toners, nor were they all designed for business use. Access uses high quality printers for the

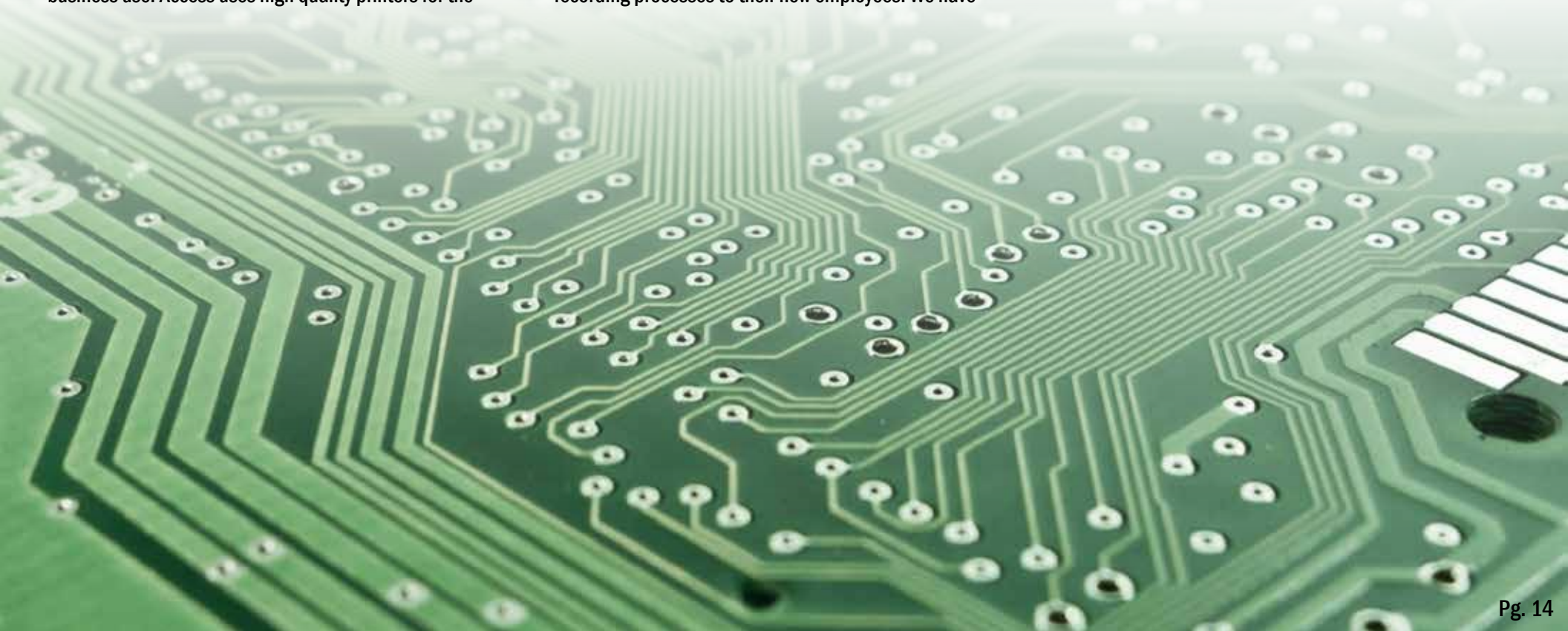
business environment. Instead of having six different brands with six different ink cartridges and some printers not designed for business use (which cost time/labor) we are able to save money overall while streamlining our processes. Access has great customer service and is always responsive to our service needs.

The labels a shopper sees on our shelves are managed through two different programs. One is with LaCrosse Scales using a Mettler Scale and the other is using our POS system labels. We are in the process of changing everything over to the POS labels. It will be easier for staff to change products, ingredients, pricing and many other features our POS system has.

In June, 2023 the Co-op began conducting its own inventory in lieu of using a service for this task. While the inventory service has been very helpful over the past couple of years, the labor and staff retention issues many struggle with have impacted them as well. For us, this has meant the use of our time to explain our counting/recording processes to their new employees. We have

chosen to perform our last three inventories ourselves and have been able to cut down on the time it takes us to complete the task.

Lastly, we are updating our internet services. We are beginning processes that we hope will better serve our customers. Last year we experienced multiple times where a fiber was cut and we didn't have internet. We did have Medicom for a backup, but it seemed when our primary system Lumen (formerly CenturyLink) would be out so would Medicom. This presents difficulties with checking out shoppers using a debit/credit card. We would quickly move to access secure hotspots from other devices with cellular service. Lumen brought to our attention new technology that they offer. Should our fiber go down, our firewall will switch to Lumen cellular service. The service then chooses which of three different providers (Verizon, T-Mobile, AT&T) currently holds the best signal in our area. This system is now up and running and we are monitoring its effectiveness.



Focus on Food Equity

& THE DOUBLE UP FOOD BUCKS PROGRAM



Healthiest State
INITIATIVE

Double Up Food Bucks (DUFBS) 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 DUFBS on purchases of fresh fruits and vegetables per shopping trip. Shoppers may spend as many of their accumulated DUFBS per transaction as they choose. For example, a SNAP shopper has 25 DUFBS. They purchase \$28 of fresh produce. With their 25 DUFBS, they will be charged \$3. They also will receive \$10 in DUFBS 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 Iowa locations that helped to place a collective total of more than 713,331 servings of fresh fruits and vegetables in the hands of approximately 238,290 food insecure Iowans in 2023, of which 68,990 are children (source: Feeding America). Your Co-op distributed 3,990 DUFBS during 2023; we redeemed 4,611 (note that the redemption total may include DUFBS a shopper received at another participating location, but spending them at the Co-op). Our SNAP sales total for 2023 is \$88,272.13. The DUFBS economic impact for the state of Iowa is \$826,000. We remain committed to putting forth our best effort to serve our SNAP shoppers here at the Co-op.

2023 DUFBS
@ THE ONEOTA CO-OP

Distributed - \$3,990 | Redeemed - \$4,611

2023 HIGHLIGHTS

In Iowa, 1 in 13 people and 1 in 11 children face hunger.* Of the 132,094 households assisted with SNAP, 40.7% of those receiving Supplemental Nutrition Assistance Program (SNAP) benefits have children. The lack of healthy, safe, and affordable foods affects the lowans' physical, social, and mental well-being. Poor nutrition is the leading cause of diet-related diseases such as obesity, diabetes, and heart disease. Historically, underserved populations and rural communities face more than 3x the rate of food insecurity and increased healthcare costs.

That's where Double Up Food Bucks comes in. Double Up Food Bucks (DUFB) is a nutrition incentive program designed to increase access to and affordability of fresh fruits and vegetables among SNAP users. Families using SNAP receive \$1 in DUFB for every \$1 spent on fresh fruits and vegetables with their SNAP EBT card, up to \$10 per day. With DUFB, families in Iowa may stretch their SNAP dollars further, allowing them to buy more fresh fruits and vegetables.

DUFB also is a win for local farmers and the Iowa economy. The program encourages participants to visit local markets and grocers, directly helping farmers grow their customer base and increase sales. Double Up Food Bucks are only spent at Iowa-owned grocery stores, farmers' markets, farm stands, and CSAs. By providing nutrition incentives to SNAP users, we support families with limited income to purchase and consume more fruits and vegetables, improve food security and health, and enhance the economic resilience of communities, farmers, and grocers.

Thank you for helping make the work of Double Up Food Bucks possible!

*Statistics according to Feeding America



713,331

servings of produce purchased with DUFB



36

counties with DUFB available



\$826,295

worth of economic impact created

#DoubleUpFoodBucks

iowahealthieststate.com/double-up-food-bucks

DUFB GOES DIGITAL

The Double Up Food Bucks program launched new digital technology to simplify participation for users beginning in the fall of 2023. The program transitioned from single use redeemable paper currency to an online system centered on the new reloadable Double Up Food Bucks Card. The new cards are usable at all participating Double Up Food Bucks locations.

The Double Up Food Bucks card allows SNAP users to spend and save their bucks from one card and removes the risk of losing or destroying paper currency with the goal of simplifying participation and increasing Double Up Food Bucks redemption rates.



2023 BY THE NUMBERS

	2023	PROGRAM TO DATE
Double Up Food Bucks EARNED	\$1,243,709	\$11,177,647
Double Up Food Bucks REDEEMED	\$588,498	\$4,907,773
Individuals BENEFITTED	44,248	369,932
Double Up Food Bucks redeemed at FARMERS MARKETS	\$204,158	\$1,056,716

#DoubleUpFoodBucks

iowahealthieststate.com/double-up-food-bucks

2023 CO-OP GIVING

Oneota Co-op's "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 organizational Ends 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 2023, your round up contributions generated \$10,420.02 for 12 organizations representing diverse services throughout our region. One hundred percent of round up funds benefits the receiving nonprofit. We thank all those who applied. We are fortunate to have so many wonderful nonprofits in our area.

The Co-op also provides donations to numerous others on an annual basis. This includes youth organizations and many community/area initiatives and events. Information about how to request a donation or apply as a round up recipient may be found at <https://oneotacoop.com/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 Ends in the months, and years, to come.

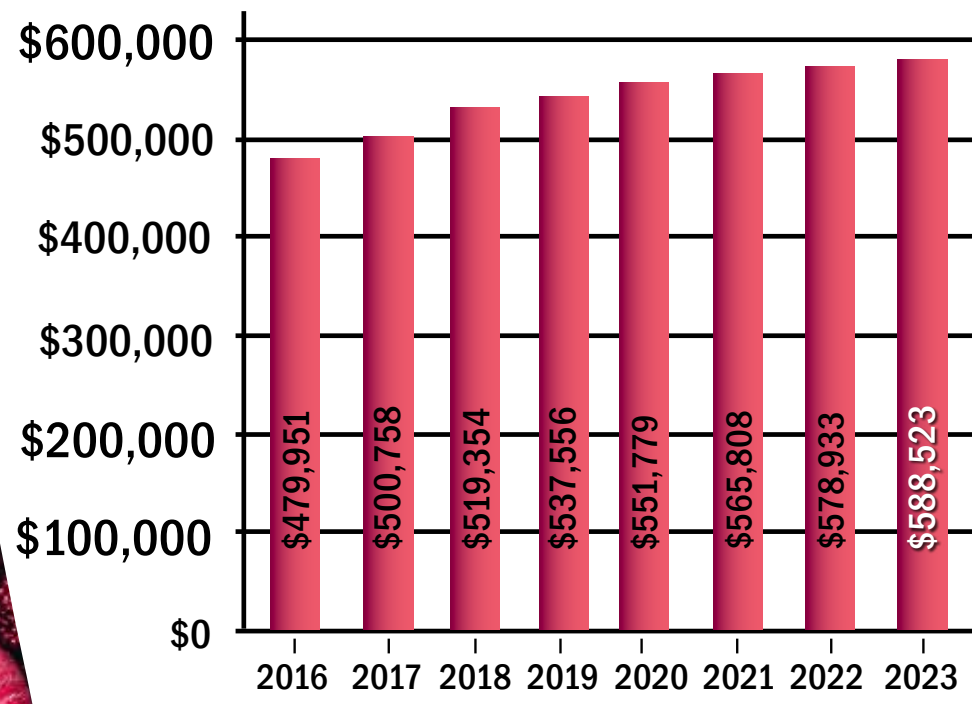
Round UP

Jan	Project Linus	\$712.29
Feb	Oneota Film Festival	\$582.02
Mar	Senior Citizen Hospitality Center of Decorah	\$953.43
Apr	IA Driftless Trout Unlimited	\$868.68
May	National Alliance on Mental Illness NEI	\$938.27
Jun	New Minowa Players	\$977.43
Jul	Kids Lunch Club	\$885.28
Aug	Iowa Natural Heritage Foundation	\$1,022.47
Sep	Sustainable Iowa Land Trust (Silt)	\$835.12
Oct	Iowa Food Hub	\$931.53
Nov	Winneshiak Energy District	\$634.99
Dec	Decorah Community Food Pantry	\$1,078.51
2023 ROUND UP TOTAL:		\$10,420.02





OWNER SHARE EQUITY



OUR OWNERSHIP CONTINUES TO

GROW

2023: 5,495

2022: 5,428

2021: 5,322

2020: 5,228

2019: 5,103

2018: 4,943

2017: 4,768

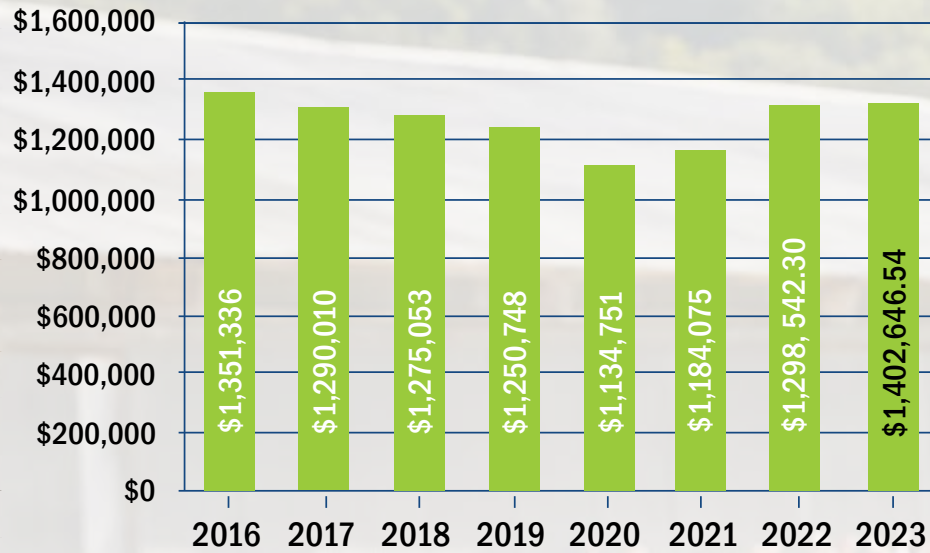
2016: 4,590



TOTAL # OF OWNERS

OUR COMMITMENT TO LOCAL

ANNUAL LOCAL SALES



2022 Percentage Total Store Sales = 25.88%
Sales in Dollars = \$1,298,542.30

2023 Percentage Total Store Sales = 26%
Sales in Dollars = \$1,402,646.54

A TASTE OF TOP SELLERS

- Quantities sold in 2023 -

Produce

local bagged apples	2,967 lbs
local bulk apples	2,829.06 lbs
total local apples	5,796.06 lbs
local watermelon	497.56 lbs
local tomatoes	1,771.14 lbs
local sweet potatoes	4,933.08 lbs
bananas - organic & fair trade	26,907.73 lbs
avocados	22,448 units

Oneota Deli

deli cold sandwiches	15,424 units
deli falaffel sandwiches	1,430 units
deli hot sandwiches	18,646 units
deli whole chickens	1,215 units
deli cold salads	3,574.67 lbs
deli protein bowls	1,493 units
deli cookies	9,259 units

Wellness

Toothbrushes/toothpaste	2,084 units
vitamin selections	3,057 bottles
aromatherapy & body oils	3,896 units
candles	1,327 units

Packaged Grocery

SOGO Snacks (Dan & Liza Belrichard)	5,893 units
local bread (Lynn Staley)	1,853 units
local God Dag Baking lefse (Linda Brink)	1,525 units
local River Road Bakery products	1,294 units
canned beans	5,236 units
Field Day products	38,344 units
Lindt Lindor truffles	9,925 units
chocolate bars	20,436 units
probiotic/kombucha drinks	12,882 units

Dairy & Chill

local WW Homestead milk	1,759 gal.
local WW Homestead cheese	2,354 units
local Kalona products	3,111 units
local eggs	145,644 eggs
total cheese	5,682.7 lbs

Frozen

local Sno Pac fruit & vegetables	6,189 units
Alden's Organic ice cream	2,051 units
Talenti gelato & sorbetto	2,763 units

Meat

local beef	1,581.28 lbs
local Driftless Provisions	2,296 units
local pork	765.09 lbs
local Ferndale turkey	4,669.84 lbs

Meat Alternatives

tofu	2,684 units
total meat alternative products	4,894 units

Bulk

local honey	2,392.25 lbs
bulk oat varieties	5,204.74 lbs
bulk flour varieties	3,403.55 lbs
bulk peanut butters	1,772.29 lbs
bulk water	20,0129 gal.
bulk nuts	8,038.15 lbs
bulk coffee	3,927.25 lbs
bulk herbs & spices (Frontier Co-op)	1,362.03 lbs

