



2020 REPORT TO MEMBERS

Annual Membership Meeting

Originally scheduled for June 13, 2020

Held virtually June 1-June 13, 2020

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MESSAGE FROM THE CHAIR

A lot has changed in the world over the last few months. The apocalypse was just one of the many reasons to start this co-op, because the current food system is broken and it was only a matter of time before the holes became obvious to everyone and not just those of us who have been pointing out the problems for years.

Local supply chains are more resilient. Unprocessed food raised without synthetic insecticides, herbicides, and fertilizers is better for you. Food obtained from people you can meet and ask questions of directly is better for you. Money spent buying products from your neighbors has a much larger impact locally than money spent at a box store. A board of directors that answers directly to the members who own and shop at the market and that puts people and planet ahead of profit is far more accountable than a board focused only on making money, no matter who or what is harmed in the process. Food bought locally in bulk eliminates most transportation costs, as well as excess packaging waste and costs. That allows good food to be sold at reasonable prices to everyone, proving the “everyone knows” saying that natural food is expensive and only available to rich people is a lie.

We *can* do this. We can have a market that focuses on local, in-season food from sustainable sources that regenerate the environment. We can have a market that treats people and animals with dignity and pays fair, living wages to the people who produce food and the workers who sell it.

You can make it happen. Invest your time and money in the market. Talk to people about the market. Tell them why it's important to *you*. Explain what a co-op is. Tell friends how amazing the organic beans were that you bought at the pop-up market (and how much less you paid than you would have in a conventional store). Tell your neighbors how much you've enjoyed the extraordinary grass-fed, grass-finished beef you purchased from a local rancher. Volunteer to help with marketing and capital campaigns. Volunteer your professional skills (bookkeeping, event planning, construction, etc.).

Get involved. The only way to make the market a reality is if people want it to happen and actively participate.

This is our market, yours and mine. Let's make it happen.

Yours in cooperation,

A handwritten signature in black ink, appearing to read "Annie Mullin". The signature is fluid and cursive, with a large initial "A" and "M".

Annie Mullin
Chair, Board of Directors

REPORT TO MEMBERS

Here's a rundown of what's been going on with the co-op and the market since our first annual meeting last June. As always, if you have any questions, please feel free to send an email to the board of directors (board@coteau.coop).

GRANT OUTCOME

Last year, we were going to apply for a USDA Local Food Promotion Program planning grant, and announced at the annual meeting that we needed \$6,250 in dedicated matching funds to apply for a \$25,000 planning grant that could help cover some initial start up costs. To reach that goal in time to apply, we needed twenty-two new members or the equivalent investment in stock. We didn't quite make it, but we did gain eleven new members and \$300 in stock over the one-week period.

In the end, we wouldn't have been able to apply for the grant anyway, because it took until mid-July for the third unique identifier to be assigned by the government agencies (board chair Annie Mullin started the application process in April). We're all set for when it's time to apply for a much bigger implementation grant under the same program once we get to that point.

MEMBERSHIP

Since the last annual meeting, the co-op has gained thirty-nine new members, for a current total of eighty-three. Considering we had nine members at the start of 2019, that's fairly steady growth. The breakdown in membership types is:

Individual: 80

Institutional: 2

Student: 1

The board ran two ad campaigns in February and March of 2020. The goal was to increase awareness of the co-op and to gain new members.

During February, we ran two ads on Facebook and Instagram: one promoting the Facebook page for the market, the other boosting the February membership drive post. Between the ads and regularly posted original content on the market's Facebook page, we gained 429 new page likes, more than doubling the number of people who knew about us on Facebook (current total likes as of June 1, 2020: 865). If someone has ideas on how to turn those likes into members of the co-op, please speak up. The total cost of the two ads was \$244.99. Five new members reported social media as the place they heard about the market on their membership forms.

In March, we ran ads in the Watertown Public Opinion. The \$351 total cost included one 3 column by 3" full color ad each Saturday (for four ads total), a Facebook post on the PO's page, and 10,000 impressions of the ad on the PO's website. No new members reported seeing the ad in the paper as the reason they joined.

Reminder: for every ten new members who write your name on the "referred by" line on the membership form, you earn a \$100 stock certificate.

Because of current events, the board elected to provide a membership payment agreement that allows people to pay their membership equity over four consecutive months.

EVENTS

The co-op has held or attended a number of events this past year. Co-op members staffed info tables at the NESD Holistic Fair, Watertown Pride, and National Night Out. Board chair Annie Mullin has given a number of presentations to groups about the market, as well as talked with producers at various gatherings and at the Northern Plains Sustainable Ag Society's annual conference.

Gather coffee shop owner Angie Reppe invited the co-op to host a pop-up market in August 2019. The event was so successful that Angie immediately asked if we'd do another one for the holidays, which was held the first weekend of December. Six producers participated in each event, and approximately seventy-five people came to get acquainted and shop each time.

BULK SALES

There have been two members-only sales in 2020, and more are planned. The bulk sales have brought in the most new members of the activities in 2020 so far.

FINANCES AND STOCK

Please see the treasurer's report for the full financial report.

We currently have a total of \$1,900 in stock invested in the co-op, \$1,100 invested since the previous annual membership meeting. Of the \$1,900 total, \$1,400 is in cash and \$500 is in-kind.

BOARD ELECTIONS

At the last annual meeting, five of the original seven members of the steering committee were elected to serve on the first board of directors (Jen Dahle, Michelle Grant, Ron Hagen, Annie Mullin, and Mike Mullin). They were joined on the board by new members Chuck Baechler and Jen Moos.

Jan Mullin was appointed in October 2019 to serve the remainder of Jen Dahle's term. Bruce Stauffer was appointed in February 2020 to serve the remainder of Ron Hagen's term.

Board of director terms are for three years, and are now staggered in a three year cycle, with two directors being elected each of the first two years, and three the third. This year, Bruce and Chuck's terms are up. You will find the candidate statements next.

STATEMENTS FROM 2020 BOARD CANDIDATES

Bruce Staufer

Co-owner, Frosty Acres Ranch; current board member, appointed Feb. 2020

“I am excited to see the Watertown community have a market where producers and consumers can meet. As a small producer, the most daunting obstacle to truly enjoying my work is the pressure of marketing my products. I see this market as a sustainable way to support the local economy and provide affordable, healthy, low-input food options to our area. Given a market for local goods, we could see great opportunity for regenerative producers and more use of better farming/ranching practices to begin healing the land.”

Stacy Roberts

Co-owner, Little City Farms

“As a small organic farmer and baker, one of the biggest challenges can be finding customers who understand and appreciate my products. Connecting like-minded consumers and producers through a co-op removes the middle-man, provides the best price for the customer, and a fair profit to farmers/producers. Farmers markets are not always the best options for some producers due to travel distance, time away from the farm, seasonality, and customer base.

“I know how successful the co-op approach is in other areas of the country. Participating in the pop-up events Coteau Community Market has held already shows great promise for this approach here. The direct interaction with the consumer at these events is very gratifying for a producer and provides immediate feedback. I would love to lend my experience and ideas to growing the Coteau Community Market. In addition, buying in bulk offers the best price to the customer, as well as reducing waste by cutting out unnecessary packaging.

“I have been on this path my entire life. Growing up on the West Coast, I watched my parents shopping at early co-ops that are now household names in the industry. Healthy food systems are better for everyone and the planet. We can create a better food system and local co-ops do just that by putting ownership into the hands of consumers, not corporations.”

LOCATION

There are a number of buildings that would work in town for the market, and the board of directors has several in mind, but we do not have the financial backing yet to make an offer on a building. Now is the time to join and invest in stock in the market to move forward.

POLICIES

The following policies were adopted or updated by the board of directors since the last annual meeting and are available on the website:

- Product and Producer policy
- Non-discrimination policy

LEGAL OBLIGATIONS

An extension was filed for the co-op's 2018 federal taxes, giving the board until October 15, 2019, to submit them. They were submitted October 1, 2019, after being reviewed by Bruce Mayer of Wegner CPAs, a CPA who specializes in food co-op finances.

The annual report to the South Dakota Secretary of State (which keeps the co-op's business registration in the state of South Dakota in good standing) is due by November 1st each year. This year's was submitted September 6, 2019.

State sales taxes for the market are remitted quarterly and have been submitted for 2019 Q4 and 2020 Q1. Once the market opens, taxes will be submitted on a monthly basis.

2020 TREASURER'S REPORT

As of June 1, 2020

	<u>Details</u>	<u>Total</u>
Balance June 7, 2019		\$4,091.54

Income

Membership equity		\$4,220.00	
Individual	\$3,700.00		37 new individual members; 80 total
Institutional	\$500.00		1 new institutional member; 2 total
Student	\$20.00		1 new student member; 1 total
Stock		\$1,100.00	
Sales		\$1,579.89	
Bags	\$214.02		
Bulk products	\$1,090.96		
Seeds	\$181.25		
Sales tax collected	\$93.66		2019 Q4, 2020 Q1, & 2020 Q2 to date
Total income		\$6,899.89	

Expenses

Business		-\$415.73	
Conference	-\$330.04		NPSAS 2020
Education	-\$60.99		NOLO books
Memberships	-\$10.00		Frontier Co-op
Postage	-\$14.70		Taxes, SAM.gov letter
Financial		-\$205.33	
CPA	-\$200.00		Reviewed 2018 federal taxes
Merchant fees	-\$5.33		PayPal
Goods (COGS)		-\$840.62	Seeds, bulk products
Legal		-\$50.00	SD SOS annual report filing fee
Marketing		-\$2,786.49	
Ads	-\$605.22		Facebook & Public Opinion
Bags	-\$1,322.18		Blank bags, samples, screen printing
Events	-\$49.98		Energy bites
Literature	-\$431.48		Business cards, flyers, forms, etc.
Supplies	-\$59.63		Drop cloth to make screen printed tablecloth, inks
Website	-\$318.00		Domain registration, plugins for online store
Sales tax remitted		-\$16.20	2019 Q4 & 2020 Q1
Total expenses		-\$4,314.37	

Balance June 1, 2020		\$6,677.06
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Appendix: 2019 Annual Meeting Documents

Attached are the draft minutes from the 2019 annual meeting. It includes the meeting minutes, the 2019 treasurer's report, and a copy of the board of directors election ballot.

Coteau Community Market
Minutes of the June 8, 2019
Annual Membership Meeting
Bramble Park Zoo Shelter
Watertown, SD
(Written May 5, 2020)

After the potluck, Board Chair Annie Mullin called the meeting to order at 1:30pm. Members present: Annie Mullin, Mike Mullin, Jan Mullin, Ron Hagen, Roberta Hagen, Jen Dahle, Joan Trygstad, Diane Drake, Waneen Polly, Gail Ramynke, Todd Kuhlman, Colleen Lindberg, and Adrienne Kaufman. Members voting by email: Chuck Baechler, Michelle Grant, and Linda Willams. Five non-members were also present.

Election of the board of directors was held. There were no additional nominations from those present. Elected were: Jen Dahle, Chuck Baechler, Mike Mullin, Michelle Grant, Annie Mullin, Ron Hagen, and Jen Moos.

Annie reported that currently there are 44 individual members, 1 institutional member, and no producer memberships.

The Treasurer's report was given by Jan Mullin, steering committee treasurer, showing that the total income has been \$5,100.00 and the total expenses have been \$908.46, leaving a balance as of June 7, 2019, of \$4,191.54. The Treasurer's report was accepted by consensus of those members present.

Rough draft budget information sheets for start up of the market were shared.

There is the possibility of a USDA Local Food Promotion Program Planning Project Grant. Dedicated matching funds in the amount of \$6,250 are required to apply for the \$25,000 grant. If we can get 22 new members or the equivalent in stock by June 13, 2019, we will have enough money to apply for the grant. The due date is June 18, 2019.

Membership drive incentive ideas were solicited.

There was discussion about the need for a capital campaign. Anyone with experience in doing a capital campaign was asked to volunteer.

Meeting ended at 2:30pm.

Mike Mullin, Secretary

Annie Mullin, Chair

Approved Date

**Coteau Community Market
Treasurer's Report
2019 Annual Meeting**

Income		
Individual memberships	\$4,300.00	44 (one free, logo winner)
Institutional memberships	\$500.00	1
Stock	\$300.00	3
total income	\$5,100.00	
Expenses		
Marketing & outreach	-\$503.40	
Legal	-\$150.00	
Software	-\$159.74	
Office supplies	-\$49.14	
Postage	-\$6.70	
Misc. supplies	-\$39.48	
total expenses	-\$908.46	
Total	\$4,191.54	
Current bank balance	\$4,091.54	as of 6/7/2019

COTEAU COMMUNITY MARKET 2019 BOARD OF DIRECTORS ELECTION OFFICIAL BALLOT

PLEASE VOTE FOR SEVEN BOARD MEMBERS

To vote for a candidate: check the box next to the name.
Candidates are listed in order by submission date, earliest to latest.

Jen Dahle, steering committee member

I am interested in staying on as a member of the Board. We've come so far in this past year, I would love to be a part of the team as we continue to grow! Our food co-op will be extremely beneficial for all who are interested in local, sustaining, healthy food choices. I'm excited to see all of the producers we can help by getting their products on the market, locally.

Chuck Baechler

I feel a good co-op can serve many benefits beyond just making wholesome produce available. First and foremost, many lower income families forego the consumption of produce due to its expense. Providing a reliable accessible healthy source of produce specifically provides a significant benefit to those who can least afford a healthy diet. Finally, living in an agricultural community, I feel it's important to demonstrate at a local level the benefits of sustainable foods.

Mike Mullin, steering committee member

I am interested in staying on the Board and think that my experience on boards of state wide and regional organizations as well as my experience in budgeting and operations will be helpful. I want to do it because I think we need to develop outlets for our local producers.

Michelle Grant, steering committee member

I believe that we have the ability to do better for ourselves and our community. We live in the heartland and should have access to the products that are grown here! We should also be aware and vigilant regarding the processes used to ensure this area continues to be able to thrive in the agricultural market without compromising the earth that we live on.

Annie Mullin, steering committee member

I want to continue as a board member because I am passionate about good food, building connections between producers and consumers, promoting sustainable agriculture to protect the environment, and providing universal access to healthy food. We're building a community of like-minded people who want access to a local, healthy, equitable food system and I love being the instigator and an advocate of that process here.

Ron Hagen, steering committee member

After visiting several food co-ops while on vacation, I was able to see first hand the importance of a local food co-op. First to offer the highest quality product to the public at a fair price. Secondly to offer a direct line from to the local producer of the product to the public.

Jen Moos

A local food co-op is important to support the people and the foods that are in this area. It will help our health (local grown is proven to be good for you) and keeps jobs viable for local growers.

END OF BALLOT

TURN OVER TO COMPLETE BALLOT