

Nebraska Food Cooperative Board Meeting
Thursday, November 13, 2014
Time: 5:30 - 8:30 pm
Place: Prairie Plate Restaurant
10405 Branched Oak Rd, Waverly, NE 68462

Roy Guisinger, Randy Wattermann, Jeremiah Picard, Gary Fehr, Lanette Stec, Beth Kernes Krause, Libby Broekemeier, Liz Sarno, Caryl Guisinger - GM, and Larry Stanislav attended as guest.

Agenda

5:51 pm Approval of Minutes

Randy asked how we would like to review them, if we approve them now or later. Members needed time to read them, so Caryl asked to have minutes reviewed and approved at the end of the meeting. Consensus to move on and read minutes at the end if time allowed.

5:52 pm Executive Board Nominated

Roy announced that he was stepping down as the Chief Information Officer (CIO) and recommended Gary Fehr for the position. Gary cannot be full time web provider as Roy was – he would just oversee. Roy read a prepared statement and mentioned everyone's work and sacrifice. Roy explained his work for free and has many jobs now but feels he has to leave NFC. He will support Caryl and NFC. Thanks everyone. Randy asked if he was resigning from the board but will help if there was a need for him to help. Roy felt others could monitor the website. Randy thought the Gary would be a traffic cop overseeing the website. Gary asked for clarification of his role. Randy said strategic IT rather than operational. Caryl recommend that Roy says on the advisory board and Roy agreed.

Stephanie Kennedy, will not run for Vice President this term. Randy asked if either Libby or Lanette would serve as Vice President. Lanette agreed to be nominated. The other members said they would continue in their executive board positions.

President Randy Wattermann
Vice President – Lanette Stec
Treasurer - Jeremiah Picard
Secretary - Liz Sarno

Jeremiah motioned. Roy seconded. The slate of NFC Executive Board nominees stands. Randy called the vote. Motion approved.

6:15 pm - Special Deliveries

Caryl reported she has wholesale accounts in Aurora and Fremont Public schools and 15 other schools that are interested due to the farm to school initiative – she will do a presentation next week. Clayton Chapman, owner of the Grey Plume Restaurant would like NFC to handle his products. Grain Place Foods, a NFC producer would like NFC to do their retail deliveries but our truck with our shelving does not have room for their pallets. Jeremiah said we need to develop a weekly schedule – weekly or bi-weekly especially when vegetables are at their peak season. Caryl already has plans for a weekly wholesale schedule to start at the first of 2015.

Wholesale: Gary, Beth and Caryl will work on developing the wholesale business for NFC. Caryl developed a master list of possible businesses and is working on standardizing protocols for dealing and communicating with restaurants accounts. Jeremiah felt we need to regionalize our drivers. Caryl said they are coordinating western and eastern drivers Kevin and Scott. Right now Ogallala is on a once a month cycle but they would like more deliveries. Other coops have semi-weekly retail deliveries. Caryl thought that wholesale should be weekly.

Libby mentioned some drop-off sites are having difficulties with customer pick-ups and asked what incentives are needed. Caryl said we will continue this discussion at the next meeting. Jeremiah mentioned churches as potential drop-off sites but Libby said you still need a volunteer to meet customers.

Caryl has a potential site in Grand Island Carnivores Meat: <http://www.carnivoresmeatsupply.com> Caryl mentioned if we were a non-profit some of the sites would allow NFC. Liz suggested we look into this.

Gary mentioned that his ability to obtain wholesale account would be limited as looking at his work schedule takes up the majority of his time so he can't handle many accounts but wants to be involved. Gary said anyone that gets an account can get the commission. Jeremiah feels that we need to get producers to commitment to products.

Jeremiah will write up the standards needed for wholesale accounts. Caryl asked if NFC insurance covers our products – the answer is yes. Jeremiah felt that individual producers still need to carry their own liability insurance as well. Jeremiah said insurance for individual is between \$300 to \$500/year.

Roy asked if we have BOD insurance since we have general liability insurance.

Jeremiah motioned. Libby seconded. To authorize Caryl NFC's GM to pursue weekly wholesale cycles. Randy called the vote. Motion approved.

Caryl asked if on wholesale sales we can retrofit our truck for pallets. Randy said it would have worked economically but will not because of weight distribution. Pallet is 46" high we have vegetable producers also shipping in big boxes. Further discussion about pallets.

Caryl mentioned that the last cycle the truck's transmission went out, and Roy and Caryl limped the truck to the repair shop rather than spend \$500 in towing. Board felt if we increased our deliveries we need to have a better truck. We would use smaller vehicles for smaller deliveries. Discuss truck situation later.

Special deliveries are difficult – too high of a chance to misplace items. Beth said the label is not printed so she has to email Kevin about the special order. Special deliveries will be phased out. Board felt transitioning phase to wholesale and Caryl will communicate the new 'no special delivery' policy to our producers.

6:54 pm - Western Staff

1. **Scott Hansen has his own trailer with freezers so we pay for his time and mileage.**
2. Jonathan David is a producer from the Holdridge area and is interested in driving for NFC. He is available on a part-time basis can drive goose-neck trailers. Caryl was concerned about renting a truck for Johnathan to drive as he needs to be 25 years old. Randy said some companies have policies that age is not an issue or will charge more.

Caryl said it is \$150/day rent the truck through Enterprise Fleet – board thought we could pay off a loan for that cost. Discussion will be continued.

6:58 pm Investment Opportunity (Juhl Energy, Money Market)

Jeremiah presented Juhl Energy: <http://juhlenergy.com/users/awp.php?ln=712106> who are investing in new projects. If NFC invests in Juhl Energy rather than a money market, he felt we should look at investing in something with a higher rate of return. They have not shown a profit yet because they are investing in other companies. Liz was concerned with investing in Juhls if the company was in line with NFC. Gary thought we need a committee to research NFC's investment opportunities. Randy thought if we need our money to be liquid for our projects then we could not look at long-term investments.

7:08 pm - Financials Current P&Ls

Caryl said we have balance of 85K in the bank

Reviewed financials

We averaged 10K this year for vehicle repairs on Kevin's truck.

Roy explained a spreadsheet that projects NFC sales. Roy and Caryl worked together to develop this spread sheet by cycle to reflect NFC's expenses and profits. Roy took historical data and projected actual retail sales. Presently NFC has no historical data for wholesale sales. This spread sheet will help chart the flexible nature of NFC sales and operation.

7:44 pm - Strategic Plan

Standards, Principles and Education

Question....if NFC is year round, do we produce tomatoes in winter?

We need to continue to be transparent and support Nebraska Producers.

Action Item: Gary and Liz will initiate a standards document "manifesto" that defines the values of local food production.
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Caryl used strategic plan models from the web to develop NFCs and based the specific need in Nebraska on *Center For Rural Affairs* (CFRA) regional food study: <http://www.cfra.org/node/4732> Producer, consumer, wholesaler identified how NFC can fill in the niche. Libby mentioned this was good for a grant. International Cooperative Alliance developed the Guiding Principles: <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles> and at NFC previous strategic planning meeting, we began to develop guidelines.

Caryl attended Milk Fest with Beth; Chisholm's Farm in Unadilla and met producers that want to join NFC. Jeremiah asked how to help producers, for example, should NFC buy a mobile processor for poultry. Locate and encourage producers to work with centralized storage to obtain cold storage. Collaborate with small poultry processing facility.

Note: Harold Stone, Davenport, NE will do minimal processing for schools – drop point at his place and has ref. truck and would delivery. Caryl will connect with him.

As defined in the strategic plan, Caryl will use continuing education through newsletters, producer's profiles/videos; webinars on how to be a site coordinator; how to put product on the website etc. Additionally noted in the strategic plan is to improve transportation facilities, so we need to have more floor space on the truck, thus we need a refrigerator at every site to get rid of the coolers that take up too much room on the truck and require Kevin to make another trip on Friday to pick them up. Jeremiah suggested that we buy refrigerators at Menards – or any place that take old appliances – work out a deal with them for their used refrigerators.

Regional Food Study suggests working with partners. Caryl has in the strategic plan to with with Tomato Tomato: <http://tomatotomato.org> Lone Tree Foods: <http://www.lonetreefoods.com> and others organizations. No More Empty Pots: <http://nomoreemptypots.org> as a possible pick-up site since they accept SNAP. Jeremiah will coordinate with Caryl and contact the [Lincoln Foodshed](#).

Jeremiah suggested that we give everyone that buys product from NFC a promo code to encourage other buys.

Training in the strategic plan includes staff training, DOT training, and account rep training. Caryl asked if she should attend a 4 month food hub certification program at Univ of Vermont where students work with high-end specialist, cost \$3,700. Randy felt that Caryl has a strong handle on the business as the general manager. Jeremiah stated that the Nebraska Farmers Union will hold a GAP training this spring.

Salaries 12K to 15K for staff – If we generate sales, this is do-able.

Gary explained the commission on wholesale accounts. The first month sales, get 5% of gross sales and 2% for every month after for maintaining the sales. Will follow a protocol for NFC wholesaler – Randy thought first time orders may be small so have a fixed signing bonus. Will discuss further.

Discussion about the additional revenue for GM if she receives a commission from wholesale sales. GM may be seen as in competition with wholesale persons and could be seen as conflict of interest. Her performance should be based on operating ratio improvements.

Need to consider adding new board members. First, they should serve as an advisory member. Caryl met a producer at Milk Fest: Andrew Hollister very supportive of NFC and she would like to ask him to join the board.

Gary motioned. Roy seconded. Nominate Andrew Hollister to the NFC's advisory board. Randy called the vote. Motion approved.

Gary motioned. Jeremiah seconded. Nominate Roy Guisinger to the NFC's advisory board. Randy called the vote. Motion approved.

Minutes from September will be approved next meeting (conference call).

Randy strategic plan and GM commission must be decided before the new year. We will hold a conference call on Monday, Nov. 24, at 7:00 pm to continue strategic plan and approval of minutes.

Adjourn - 9:08 pm

Thank you, Renee, for hosting our board meeting at Prairie Plate. Also, thank you, Lanette, for donating the suckling pig for our exquisite meal.