

Wisconsin Grass-fed Beef Cooperative – 2016 Annual Business Meeting Minutes

Held at the Wintergreen Resort, WI Dells on Saturday, February 20, 2016; by Lanice Szomi, Secretary

Introduction – Russ Endres, President called the meeting to order at 9:30 AM.

Endres introduced the members of the Board of Directors and key team members of the Co-op. There were over 40 co-op members and spouses in attendance.

President Endres asked for any agenda changes. None were voiced. Motion to approve the minutes as read was made by Greg Nowicki, 2nd by Dave Guden. *Motion passed.*

Approve 2015 Annual Meeting minutes – Szomi read the minutes. Motion to accept the agenda as presented by Judy Lang, 2nd by Kelly Andrews. *Motion passed.*

Treasurer's Report – Tracey Hennessey and Tim Mathison, the Co-op's new accountant, were on hand to provide the report. 2015 sales were just over \$1.2 million. Accounts receivable has dropped to 2-1/2 week turnaround and Accounts payable is averaging less than 2 weeks. Tracey reviewed the check stub information as far as the cattle identification, but also that any shipping credits were included in the check total. If you have questions about the stub, please call Tim, if you have a question about the weights call Pete/Rod – NOT the processor. Tracey was thanked for her years to service to the Co-op. Motion to accept the Treasurer's report as presented made by Laura Paine, 2nd by Mel Abel. *Motion passed.*

2015 Milestones & Sales Summary – Rod Ofte

2015 was a good year because of strong sales (20+% growth), but also record high producer payments and payment timing. We had \$1.4 million in sales, with \$4,492 in net income. The Co-op has added a 2nd processor at Lorentz Meats in Cannon Falls, MN who is USDA certified. Great to have Lipari Foods carrying our product, as well as Elegant Foods.

Challenges continue to be consistent supply of good cattle; higher than planned cost of goods sold (COGS); increasing competition, complete carcass utilization, and multiple destination processors.

2016 Business Approach – Continue to stabilize and strengthen the co-op's financial position & solid double digit growth.

The proposal for 2016 is to have double-digit growth with close to \$1.5M in sales, a gross profit of \$150,000 minus overhead of \$128,900 equals \$21,100 in net income. This will come from improving the quantity & quality of cattle, controlling costs, build a cash reserve, and continue building at a slow & steady pace while increasing brand awareness and being the market of choice for members.

Member Awards – Now came the fun part of the meeting. WGBC Member of the year: Jon Lee. WGBC Producer of the Year: Greg Nowicki

Board Member Nominations and Election Results – two seats, 3-year terms were open for election. Nominees were Jon Lee, Bob Pesz and Bill Paine. Motion to close the nominations made by Rod Ofte, 2nd by Greg Nowicki. Motion passed. After the ballots were counted, congratulations to Jon and Bob.

Educational Session – Geoff Brink gave a presentation on pasture productivity research and how to apply it to your own situation. It was an excellent interactive presentation that facilitated lots of discussion during and after the meeting. Thank you Geoff for taking the time to attend our meeting!

2016 Cattle Recommendations – Pete Prochnow

Pete reviewed the current protocol and production paperwork the Co-op has. The cattle committee has been meeting during the early winter and have made recommendations that will change the current protocol that Pete presented. The three areas of change are:

1. Out of state feeders – Motion that the WGBC allow, as of 1/1/16, Co-op members to purchase beef feeder calves from states bordering WI; are under 12 months of age; meet Co-op protocol and have proper documentation that can be later shipped & purchased by the WGBC.

2. Production Protocol change – Motion to approve for animals shipped, but not processed, are owned by the producer until the animal is slaughtered, inspected, processed for consumption. Animals rejected upon delivery or condemned will be expected to follow the Processor's protocol.

3. Producer premiums – Motion to incent co-op members to contract a portion of their cattle production at least 12 months in advance. In exchange, the member will receive a \$.15/lb premium.

Sponsor recognition – Laura Paine represented Farmers Union, Mike from Lorentz Meats, and Paul Dietmann from Badgerland Financial were on hand to describe their businesses and what they can do for the Co-op. Each were thanked for their sponsorship of the meeting.

Closing comments – President Endres announced the 2016 BOD officers: Pres-Russ Endres; V-Pres-Jon Lee; Secretary-Greg Nowicki; Treasurer-Tracey Hennessey.

Mandy McGee reminded the crowd that Judy Pesz is willing to be the cattle liaison, but please give her a couple of weeks lead time when wanting to sell your animals.

Adjournment – Motion to adjourn was made by Gene Schrieffer and 2nd by Dave Guden. *Motion passed.* Meeting adjourned at 3:55 PM.