

Wisconsin Grass-fed Beef Cooperative Annual Meeting

Held at Wintergreen Resort, Wisconsin Dells on February 8th, 2020

Introduction- Jon Lee, Vice President called the meeting to order at 9:30 a.m.

V.P. Lee introduced the members of the Board of Directors and the Management Team. Angie Lindloff is the newest member of the Management Team and will be doing the social media and website. There were over 75 people in attendance, with 38 member farms were represented. The members introduced themselves and gave a brief highlight of their operation.

Approve 2019 Annual Meeting Minutes- Greg Nowicki, Secretary provided the minutes from the 2019 Annual Meeting in a written newsletter sent to all members in January. Motion by Brett Danke to approve the minutes, second by Bill Moran. MC

Treasurer's Report- Tim Mathison, the Co-op's accountant gave an overview of the 2019 financials. The cash flow position improved as the year moved along, so producer payments were once again going out as soon as the info was received. The breakdown of the pay stubs was shown again for any new members in attendance.

2019 Overview- Rod Ofte – General Manager, presented a summary and highlights of 2019. He began by thanking the sponsors of our Annual Meeting. They are Lorentz Meats, Compeer Financial, WI Farmers Union, and QLF. There were some new and updated policies that were implemented by the BOD, so handouts were included in the member packets.

2019 had a 5% increase in sales over 2018. 2019 sales were \$2.28 million

Key growth drivers the new Pastured Pork Program, getting the 80/20 1 lb. grind listing at Woodman's, and adding Fulton Market Co-op in Chicago as a distributor.

Outlook- Rod Ofte, General Manager, gave a brief outlook of the Co-op going into 2020. The focus will be on continuing to improve the quality and stability of our live animal pipeline, grow our farm to table business, geographic expansion in Chicago and the Twin Cities, firmly establish our Pastured Pork Program, increasing exposure and sales of our 8 new retail ready cuts, and the launch of our shelf stable Summer Sausage and Land Jaeger Snack Sticks. He also gave an overview of our brand messaging, co-branding events, sponsorships, and a competitive update. An overview of the management team and their duties was presented so members get to know them, and where to go if they have questions or concerns on a topic.

2020 Business Approach- For 2020, the Co-op is looking for an 8% growth in sales to \$2.46 million.

Pastured Pork Program- Rod presented an overview of the Pastured Pork program. It was launched in January 2019. We are now processing 5 hogs every other week at Johnson's, who make excellent value-added pork products. 2019 sales were \$86,802, which is more than the beef sold by the Co-op in its first year.

Educational Session- Ron Russell from UW-Madison had a presentation on "Tips to proper finishing beef on grass in Wisconsin". Rod had also gotten some steak samples showing the various degrees of finish, so they were passed around for the attendees to see.

Board Member Nominations and Election Results- Three seats were open for election. President Russ Endres and Judy Lang agreed to run again, and Jason Cavidini elected not to run again. Dan Wiederholt was nominated prior to the meeting and Bill Wimmer and Darren Yanke were nominated from the floor. Motion and second to close nominations. MC. Russ was re-elected, Dan and Darren were elected as new members on the BOD.

WGBC 2025 Review- Tera Johnson from UW-Extension in Madison gave a presentation on the work she has been doing with the BOD. They had two half day sessions together to discuss market research, do a strategic audit of the business environment, and then identify action items and growth goals, and how to get there. One of the main goals identified was the need to pay our farmers more competitively so the Co-op is the preferred outlet for their cattle. This will require growth since the cost of doing business goes up every year and we are only marginally profitable. Improving carcass utilization is critical. Our model of using independent contractors instead of internal full-time staff is reaching the point where the contractors are maxed out on what they can provide. We need a growth plan to take a step up since our very slow growth won't get staff or economies of scale fast enough.

The strategic objectives for 2020 are to improve carcass utilization, build sales and marketing capacity, and build organizational capacity for growth. Rod is working on a value-added producer grant to help finance these. The ultimate target that was set is to get the Co-op to \$5 million in sales in 5 years.

Marketing Update- Angie Lindloff gave a presentation on the goals she has set since she took over the marketing duties for the Co-op as of this year. She is currently doing data gathering from the visitor to the website and is planning on having the website upgraded and more user-friendly in the next few months. She is also increasing the Co-op's presence on all the social media platforms to drive users to the website, which will increase brand awareness and increase our consumer sales.

Awards- Pete Prochnow presented the Producer of the Year Award to Casey Kersteins for the second year in a row, and the Member of the Year Award to Brett Danke.

Adjournment- The meeting was adjourned at 4:00 p.m. It was followed by happy hour and food prepared by Wintergreen Resort. Members were presented with a case of WI Meadows hot dogs in exchange for turning in their completed surveys.