

**Middlebury Natural Foods Cooperative**  
**Board of Directors Meeting**  
**January 22, 2014**  
**Approved 2/26/14**

**Board Members Present:** Daryl Benoit, Ross Conrad, Francisca Drexel, Steve Getz, Mary Gill, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart, Louise Vojtisek.

**Board Members Absent:** Ilaria Brancoli Busdraghi, Kevin Lehman

**Others present:** Laura Asermily (staff), Victoria DeWind (staff liaison), Glenn Lower (GM), Reiner Winkler (staff).

**Board Monitor:** Louise.

**Call to Order:** Jay called the meeting to order at 6:32 pm.

**Member's Business:** Laura Asermily praised MNFC as a good business model and said that she promotes it in the community to expand awareness whenever she attends public gatherings. She presented to the Board information about a new Vermont law (Act 113). This act replaces using the Gross Domestic Production (GDP) with a Genuine Progress Indicator (GPI) to measure economic progress. This indicator measures how goods and services are developed sustainably with a focus on progress and wellbeing as opposed to growth. It measures the true cost of production, product durability, worker wellbeing, renewable energy, equality, product servicing instead of replacement, the environment, wage levels, etc. Business leaders under this model are bold in taking new, unpredictable steps and taking positions and action on issues. Laura feels that MNFC is already on its way to being a model business in this concept with its buying criteria, Ends, education efforts and business practices. She wants it to continue to be a representative of this model in the community by publicizing its work regularly and participating in related events.

**Approval of Minutes:** On a motion made by Jay, seconded by Tam, the minutes of December 18, 2013 were approved as amended with all in favor and Mary abstaining.

**GM Report:** The Board accepted the report which included several industry news items about Whole Foods. It is challenging for co-ops, as independent stores, to get their news out whereas Whole Foods covers all its stores in one release.

Potential Annual Meeting dates were chosen: June 8, 14 or 15 to be held at the store.

**Sevananda Co-op:** Glenn asked the Board to approve a \$25,000 loan to Sevananda Co-op in Atlanta GA. It will be paid back with monthly payments for two years at 5% interest with supervision by NCGA. This loan will be part of a capitol campaign which includes a \$100,000 NCGA East loan, \$200,000 from eight different NCGA co-ops and \$2-300,000 in member loans. The funds and monitoring will go through NCGA. This will allow the Co-op to grow inventory and recover from the effects of bad management.

The Board wondered about competition with this store which will make recovery harder. They have been showing sales growth since reorganizing. The Board felt it does involve some risk but supporting co-ops is important. On a motion by Ross, seconded by Louise, all voted in favor to give Sevananda the \$25,000 loan under the listed terms, contingent on the \$100,000 loan from NCGA not being in arrears.

**CROPP Cooperative:** Steve Getz presented to the Board an overview of the organic milk industry. This was done in response to new Board members wanting more information in light of the ongoing push by James Maroney to have MNFC sell only organic dairy products.

Steve works for Organic Valley which is the brand name for products produced by the CROPP Cooperative. They have been working toward fair market prices for 25 years through marketing and education rather than promoting building more dairy plants. They have 1834 members and they have a thin profit margin as proceeds are paid to member farmers as much as possible. Generally, organic farming works with co-operation whereas conventional farming is based in competition.

In conversation, Steve said James made it clear to him that he thinks litigation, coercion and legislation is the way to get industry change. Steve mentioned that the switch to ethanol crops has greatly decreased organic land being available for organic farming. As well, large operations are buying up more land for more grain production for more cows which makes it hard for small sustainable dairies to keep land and compete. He talked about the need for supply management to match supplies with demand. Vermont is a small market for value added products and much of its dairy is shipped out of state. If there was a significant increase in organic here, there is not enough of a market here willing to pay the higher prices to sustain it; prices would collapse and farmers would lose.

**Communications Committee:** Tam reported meeting with Glenn and Reiner about member-owner engagement plan. The Board role in this is to monitor the process and do only what can be achieved. This includes hosting and/or attending the small meetings, writing articles and serving on Phase 2 committees.

Phase 1 of the plan includes 15 meetings - 3 held at the Store, 12 in area towns - from February into May. The Annual Meeting will wrap up this phase.

The Committee is also looking at website improvements, the newsletter, education about patronage dividend and the Co-op as community leader. Glenn said that the compelling reason for patronage dividends is how it serves to define, meet and pay for the future of the Co-op and may be part of Phase 3.

**Retreat:** The day will be spent on how the Board functions. The four pillars of cooperative governance will be used to create a 2014 work plan: rejuvenation, interpersonal relations, strategic leadership and democratic principles. The location for the retreat is yet to be determined.

**Election documents:** The terms ending this year are held by Daryl, Ilaria, Ross and Tam. It is time to start personal contacts, as they are most effective, to find potential candidates. Posters will go up in the store in February. The March newsletter will have an election announcement. Front Porch Forum and Facebook will also have postings.

**GP5 – Policy Creation and Revision:** #1 was revised to say “The Board determines a need for the creation or revision of one policy or a body of policies” and #5 was revised to say “The Secretary updates the policies and makes them available to the Board and the GM, and ensures that member-owners have access to them”. The revised GP5 was approved by all on a motion by Tam and seconded by Jay.

**Next Meeting –February 26:**

GP6

Discussion of the Genuine Progress Indicator (GPI) law

Member-owner engagement plan

Elections – candidate contacts

**Adjournment:** The meeting was adjourned at 8:32 on a motion by Louise, seconded by Mary with all in favor.

Respectfully submitted by Victoria DeWind