

Valley Natural Foods Co-op  
Annual Member-Owner Meeting  
October 1, 2025, 5:30 pm CST  
Trove Brewing, Burnsville

#### Meeting Minutes

Meeting called to order: 6:17 pm  
Approval of 2024 Meeting Minutes  
Motion: 17683  
Second: 17747

Poll "Motion to approve last year's meeting minutes" approved by member-owners in attendance.

- Chris Coyle - Treasurer Report
  - Congratulations to staff and thanks to members for continuing to support the store.
  - Goals attained in 2025
    - Captured market share from Kowalski's and the remodeled Cub.
    - Increased store assets to better position us for investment in second store.
    - Drove strategy and revenue from Valley's Own Bakehouse.
    - Sales were up at \$16.9M in 2025 from \$15.8M in 2024.
    - Gross margin was slightly lower at 39.7 in 2025 from 39.9 in 2024.
    - Net income was greatly increased to \$1,443,932 in 2025 from \$181,862 in 2024 which represents an increase of 693%. The increase is due to receiving ERC (Employee Retention Credit) money from the Federal Government.
  - Financial KPIs
    - Assets = \$14.4M, which is an increase of 9% over 2024
    - Liabilities = \$5.9M which is flat to 2024
    - Equity = \$8.5M which is an increase of 17.2% over 2024
  - 2026 Financial Goals
    - Navigate grocery marketplace with industry consolidation.
    - Invest in existing assets to unlock growth while looking for external opportunities.
    - Drive strategy and revenue at Valley's Own Bakehouse.
- Sarah Johansson, Board President
  - 2026 – 2028 Headwinds
    - Inflationary and tariff pressures.
    - How to survive in a "big fish eat small fish" environment.
    - Labor costs and workforce development.
    - Supply chain volatility (we have the best disaster recovery plans in place).
    - Increased e-commerce penetration (Instacart).
  - 2026 – 2028 Tailwinds
    - Growing demand for sustainable and transparent sourcing.
    - Increase in health and wellness awareness.
    - "Budget bougie" shopper.
    - Hyper local and community focus.
    - Interest in upcycled and circular foods.
  - 2026 – 2028 Prepare for opportunity

- Potential for mergers and acquisitions fed into search for CEO and resulted in the current CEO – COO structure and the desire to have leadership in place to move on opportunities.
  - Board Strategic Goals
    - Grow through mergers and acquisitions into a multi store unit.
    - Diversify revenue by scaling Valley's Own Bakehouse into a profitable B2B enterprise with a \$5M topline target.
    - Expand co-op membership accessibility by engaging multi-generational customers.
- Delphanie Daniels – Board Vice President
  - Impact Summary
    - 90 hours volunteered by store staff.
    - 1146 pounds of food donated.
    - 30,000 Register Round Up contributions.
    - 1077 times electrical vehicle charging station used.
    - 450 pounds of plastic wrap recycled.
    - 2x highway clean-up under Adopt a Highway.
    - 225,000 (10%) gallons of water consumption reduced by upgrading the irrigation and water softening systems.
- Steve Sapoznik - COO
  - Thanks to the member owners.
  - Thanks to staff and administrative team.
  - Unity and collective achievement = co-op success.
  - Shopping at Valley Natural Foods allows us to pay fair wages and work with vendors to provide value in every aisle.
  - Infrastructure upgrades and 2025 operational wins
    - New freezers and coolers.
    - Deli and Grab and Go expansion.
    - Instacart launch.
    - Recovery plan developed based on experience with UNFI cyberattack.
- Matt Kappra - CEO
  - Running a co-op means being self-less, co-op comes first.
  - Background before Valley Natural Food
    - GM at Just Foods
    - Culinary experience
    - Seward experience
  - Thanks to our staff.
  - Foundation for success – as learning organization.
    - Staff – are we doing the best for them.
      - Base pay was increased by a dollar an hour.
      - Hourly PTO was increased to be in alignment with salary staff.
      - Develop leaders and bench strength.
    - Systems – growing into new CEO / COO structure.
      - Instacart
      - Updated recipe software
      - Upgraded SMS
      - Working on launch of CRM

- Space – experience in store needs to be top notch.
    - Planned for this year: produce re-set, bulk re-set and bakery re-set.
- Foundational work – building baseline.
  - Valley Natural foods growth and value
    - Focus on top line sales.
    - Grow membership.
    - Drive sales to members, currently member owner sales are less than 60% of sales. We want to give member owners more opportunities to save, for example, our 10% off Fresh Deals.
- Valley's Own Bakehouse.
  - Thanks to Steve, who ran a great team during the transition.
  - Ashley, Ralph, and Steve had been working on a reboot when Matt came onboard.
  - A fractional sales rep has been retained.
  - The financial model was updated to reflect wholesale business vs. retail business.
  - Work was completed on establishing and refreshing the brand.
  - Kakookies had been launched into KeHe representing national distribution.
  - The foundation had been laid, and we hope to see breakthrough results in 18 – 24 months.
- Question from member owner.
  - What happens next year to the net income after this year's ERC money?
    - We will see one more small bump in 2026 of ERC money, the budget was developed to reflect modest growth to take into consideration the Cub re-opening, tariffs, and investment in staff.

#### Board Election Results:

- Sarah Johansson
- Delphanie Daniels

Meeting adjourned at 7:04 pm