

**North Quabbin Community Co-op
Annual Meeting, April 12th, 2012**

President's Report

We began selling shares of high quality local produce on August 12th, 2009. Since that time, for over 140 weeks, without missing a single week, we have provided our members with a flexible CSA option that supports local farms and provides a source of affordable organic produce. We began on a shoestring with little to no overhead. During 2011 we grew by opening a small retail store. While our flexible CSA share sales have remained steady over the years, we nearly doubled our sales in 2011, showing that there is a demand for the new products we have brought in. We now work with over 30 local vendors to sell products which are not easy to find elsewhere in the North Quabbin, and we sell them at competitive prices.

Our cooperative model of running the store allows us the ability to offer these competitive prices. Our strong membership base literally has an investment in the success of the co-op. Our members show up each week to support the co-op through both their purchases and by volunteering in the store. In 2011, we were able to staff the store purely through the efforts of volunteers. The cooperative model of serving our member owners also encourages us to be responsive to feedback and requests. I'm always slightly amazed to see an item get requested for the store and then have it show up the following week for sale.

I see this year, 2012, as being critical to the future of the Co-op. While we can count many successes over the past 3 years, challenges lie ahead. I'd like to discuss a few of those challenges here and what we've been doing to address them in the short term and what needs to be done in the long term. We do need to grow the board of directors. This year, one director resigned (thanks for your service Linda Flynn), but we hope to add three new members today. We'd like to have even more active board members to set policy and help guide the Co-op through these next critical years. I would hope to be able to add 4 new board members by next annual meeting.

Our volunteer system is miraculous, but it has its flaws. It is becoming increasingly difficult to fill positions well. While we have many extremely capable and hard-working volunteers, the amount of time each volunteer commits is often too minimal for that person to become effective or expert at a given task. As people's lives become more busy and hectic, volunteer duties will be the first to go, understandably. In the short term, we now have three volunteer coordinators working on the task of filling positions. Having these dedicated volunteer coordinators has helped dramatically increase coverage of shifts.

The management of the Co-op is also shared voluntarily by three to four board members. This is also not ideal as too many duties can dilute the effectiveness of said duties. There are not enough hours in the day, as they say! In short, it is my belief that we need to begin the process of thinking about ways to have paid staff that supplements and strengthens the volunteer base.

This is no easy task. As you will see from our profit and loss statement from 2011, we do not generate enough revenue to hire anyone. The revenue forecast for 2012 is similar to 2011, though we are working hard to increase revenue and control spending which will hopefully allow us to build a stronger reserve for emergencies and lean times. Our finance committee will be meeting quarterly to review expenditures and revenue. The board met earlier this year with a marketing expert and we have been actively attempting to increase the visibility of the Co-op in the community by participating in

community events, partnering with other organizations and businesses, and using online communication tools like facebook, email and our website effectively. We are also trying hard to convey the information to the community that we are a market and not a social service organization. And we are a market that offers more than a CSA share. I believe that many people still do not know exactly what kind of goods and services we offer.

While we can increase visibility and clarify our brand through effective marketing, we will still be limited in what we can sell because of the size of our space and its location. We love our home in the Orange Innovation Center, but there is a question about the visibility and accessibility of this space to the greater public in the North Quabbin. Similarly, our inventory is small. If we want to increase revenue, our inventory will also need to increase. One possibility for the Co-op is to finish a business plan this year for a much larger market in the center of Downtown Orange. This plan would require serious and substantial financing through loans, grants, donations and member investment. Another possibility is that we stay small and rely solely on volunteers. I strongly believe that this would eventually mean a reduction in hours as the amount of volunteer labor required to staff the store now is not sustainable.

This year we as members will be making these critical decisions together. We hope that you all become involved in the decision making process. If we decide to grow larger, there will be much work to do to complete and execute a business plan. We have a sign-up sheet on a clipboard for anyone who would like to volunteer to help finish the business plan. Please also feel free to write down any way in which you can help out, or suggestions you may have for us as a board. And keep an eye out for calls to meeting or discussion about the issues I've laid out here.

In summary, our hard work has not gone unnoticed. This year we have been awarded a Local Hero Co-op award from CISA and will be featured along with several other western Massachusetts food cooperatives in their 2012 Farm Product Guide. The work we do in our community is important and fills a distinct need to provide healthy, local food options at an affordable price. Thanks to all the Board members and volunteers who work tirelessly to fulfill our mission.