

Minutes – Midwest Elderberry Cooperative Annual Meeting April 18, 2022

(Connie Carlson provided and edited by Chris Patton)

Welcome:

Christopher Patton (video recoding of the meeting is slightly delayed in starting.)

Introductions by members in attendance.

Attendees: Dan Moe, Natalie McAvoy, Colin Cureton, Will Marsh, Chris Patton, Brian Weber, Jon Jobes, Martha A, Wil Crombie, Katie Reneker-Carmel, Wyatt Parks, Eric Lindberg, Sienna Nesser, Eric Lindberg, Mark Sneller, Terry Durham, Connie Carlson

Connie Carlson, Colin Cureton: Introduction of Forever Green and recent / future grant and research activity (VAGP, MDA and SCRI)

Terry Durham: working on the Elderberry Conference (June 8 – 10, University of Missouri); supported by SCRI. Seeing a growing interest in elderberries. Seeing farmers making a livelihood. Looking at the trends in products. Prices for imported berries are increasing, so there seems to be an opportunity, particularly for dried elderberry. Stressed that the market for dried appears to be “huge.” Look for online class that was developed during COVID. Growing, processing and marketing classes. There appears that there will be a lot of berries across the country to work with – coop will have an opportunity to manage and move supply. Coop will be needed in the next few years for the growers.

Christopher: Why do we have a coop? His great grandfather, James Harry Patton, was the first to grow russet potatoes south of Idaho Falls, ID for J R Simplot in 1904. No one remembers him, but everyone knows Simplot and Idaho’s “Famous Potatoes”. The Coop provides grower market power through collective action to ensure parity in pricing and ensure a future for small farmers. We are an open coop because we want flexibility in how we can work with and help growers.

C-SHARES – will work when we have contracts for harvest up front. Buyers need guaranteed supply in volume; the plan is to solicit C-Shares to match/modestly exceed those supply commitments. Because we weren’t able to meet large volume demand for a few years, we lost momentum in the commercial space. We need to supply consistent product at a competitive price. The challenge is meeting the European pricing of \$3.00-3.50/lb. frozen IQF berries FOB east coast USA.

Headed in a direction to build supply, cooperative action and coordination between growers and industry. Continues to foster relationships with industry that will buy when supply and price is there.

Business Meeting:

Board Terms: Mark Sneller and Terry Durham director positions renewed for three year terms.

Motion by Patton, board and members voted unanimously.

Patton nominated Jon Jobes to take on a board position. Board and members voted unanimously. [He will complete Will Marsh’s term, who resigned this year. Jon will be up for re-election with Dan Moe and Chris Patton in 2024.]

Patton nominated Brian Weber to serve as Treasurer (Good to have a treasurer based in Minnesota due to good laws for cooperatives in MN). Board approved.

Finances: Reports sent ahead of meeting, including the USDA Vale Adde Planning Grant final report, which has detailed information on different elderberry ingredients production and pricing.

Questions/Dialogue:

Website update – can be upgraded using SCBG MDA grant. Patton is working on it.

Durham: The price for berries is too high for coop to buy? Patton: we can't pay current prices most farmers want for large volume buyers. Snellers -- \$6/lb. for small quantities sold online works. Patton is working with 20-100K lb. buyers who want them at \$3.50. Durham: inflation is affecting price. European is going up. Patton: That will help. US buyers will pay a slight premium for American elderberries, but they also need to pay for freight. Minimizing freight charges is one reason for MEC's decentralized, regional hub strategy.

Parks: This is a case for investing in the marketing. The cost of farming is going through the roof. Need to have a good website and spokesperson to make the case for the domestic berries. Patton: Agree. It's the a priority. And we need to get back to attending national trade shows. Our alliance with UMN's Forever Green Initiative presents the potential for volume sales to MN based food and beverage processors; some of whom market nationally.

Durham: need more research on the advantages of domestic berries to compete with European. Leverage in the market. Patton: agree. Growers can get a premium, but not much of a one. As part of the current MDA Specialty Crop Grant, AURI scientists will develop a protocol and test the Ranch, Bob Gordon and Adams cultivars for 8 key ingredients desired by large volume buyers/manufacturers. This additional documentation of American Elderberry nutrients will support a premium price along with the better taste.

Durham: will have a prototype for washing the berries – will be a big help to improve the efficiencies.

Reneker: really important to improve the efficiencies for growers. Believes a premium will be established because it's domestic, etc. Some companies are only accustomed to working with only a few formats (dried, IQF). Need to provide the product they need. The bigger picture is that they will have to meet the offerings they work with. Patton: Agreed. Their lines are set up to work with certain formats. The key is do that in ways that can scale and deliver acceptable revenues (prices) for farmers as well as deliver profits for the buyers.

Martha: Terry – are you finding the subscription boxes profitable? Are American Berries part of the gummies? Did you do a December kit. Really enjoying it. Durham: it's growing for us, we are happy with it. 80 people are part of it. There are slow times in the marketing season.

Patton: smaller scale buyers are happy to pay a higher price. Smaller scale growers are able to make a profit selling direct to consumer and especially when they are doing the processing and marketing themselves and/or make their own products.

Meeting Adjourned 5:59