

Good Evening. I've been asked to make a presentation on our FCL Conference that myself, Diana and Jim attended on behalf of Twin Valley Co-op. I'm recording this message in a hotel room out in sunny Manitou, so I apologize if the scenery behind is not too attractive, but the hotel is extremely comfortable and functional, but obviously it is not the Fort Garry. So, we are working away from home just at the minute.

The FCL Conference went ahead as normal, even though it was marred at the time with the Refinery strike. And obviously you can probably imagine that that took a lot of the first day's conference up, with discussions on the Refinery itself. We were greeted with picket lines outside our hotel, also outside the conference centre. It was quite aggressive at times, the guys were thrusting sort of pamphlets and trying to get your ear for a conversation every time you walked in or out of the building. This eventually did spill to our hotel where police had to be called to remove some of the more aggressive picketers from our hotel foyer.

But, having said that, it was a record year for Co-op, and for FCL. It was a \$9.2 billion year in sales which basically equates to a \$959 million income, and it was a basically a patronage allocation of \$649 million across the board, with a share redemption of \$565 million. So, in patronage, if you look at that quite interestingly, in region by region, there was \$90 million paid back to BC; there was \$205 million to Alberta, \$206 million to Saskatchewan, and \$148 million to Manitoba, paid back to our members. Which goes to show, that buying local and supporting your local Co-op is still the thing to do.

The Refinery obviously, was discussed at some length. There was a \$237 million investment to maintain/upgrade the refinery in 2019, and this obviously was an investment because of its standing in the Co-ops earnings; it's 89% of our earnings in FCL, that comes from the Refinery, which obviously is a large chunk of change. For the Energy itself, if you look at it, there was an increase this year actually in sales for propane on top of that: 6.7% increase in propane for sales in 2019. Interestingly enough, 9631 recorded number of railcar shipments of gasoline and diesel in 2019, which is a record number apparently. And on the good, positive front, a local Co-ops drive Fuel Good Day, that Fuel Good Day that we've all just experienced locally, raised 1.9 million on that one day, which obviously goes back to local projects and local charities.

The staff and human resources were discussed. There was quite a lot of positive human resources going through FCL. And 1260 plus employees participated in diversity and inclusion activities in 2019. 602 of the participants inspired learning opportunities outside of that, and that was again a positive forward that we are trying to educate our staff at all times.

There were 1.7 million orders processed, by distribution centres in 2019. And 127 million electronic transfers from fleet/debit/credit and gift cards that was processed during that year. And it was calculated that there are 450,000 customer transactions across Co-op per day. So, if you look how busy Co-op is, it is more than encouraging.

So, all in all, the conference went extremely well. We did have a local meeting, which I'll discuss in a few seconds, but overall, there was a lot of exciting new things brought up. One was the charging stations, the electric charging stations that were going to be placed in Co-ops alongside the #1 highway, there was also one deemed for #16 highway. These were trials, so we're waiting to see what effect they've had on for our green energy uses. So, we are trying to tap into these markets as FCL and Co-ops; which I think is a worthwhile thing to do. We were also talking about the new till systems going through, which are improving orders, and improving stock calculations and recognitions. That is the Mi9 system, and I think we are the proud owners of some of those in our systems. They have proven extremely valuable, for information for the staff on hand. And the ability to be able to order stock easily and quicker, and that was discussed at some great lengths, both at the meeting and during coffeetime and meal times of people swapping notes on just how that till system was improving Co-ops lot in general.

For the local meeting, it was quite interesting to me to see just how Co-ops share, even though we've got neighbouring co-ops there that obviously sometimes share borders with us. They were quite happy to share information, good and bad, for us all to learn from, which I thought was extremely encouraging, to be seen. Poor old Dauphin, was probably one of the first ones to mention that they had just lost 80 jobs in the area, their prison had closed which some people may had

been shouting hooray from the hilltops that their prison was closed, but the effect that was having on the local economy was quite high, with 80 jobs lost. Forty students from the school, and it rumbled through the whole community. Quite interestingly enough, when the figures were read from our neighbouring co-ops of their earning capacity, we were quite up there. The highest was around about \$192 million that year, which was Heritage. And one of the low ones there was \$52 million; we were right up there, probably second/third highest with \$88 million on that year, and I think you will probably find out from this year's meeting that that's on the increase again. So, we are on a positive route forward here at Twin Valley.

The FCL Conference I do believe is worthwhile. This year obviously with COVID, it may not happen, sadly. It's a great way to network and find out from other Co-op Board Members what's working for them, so that you can implement the systems or the ideas in your own Co-op. A lot of information is shared willingly and openly, which is the Co-op Brand, right way through. And FCL promotes that on every occasion. It was extremely rewarding to be there; I enjoyed the opportunity to attend it. It was friendly, upbeat and hopefully when things calm down, we will get back to networking again with our fellow Co-op members.

I hope that's been of some use to you, the basic figures. There was a lot more information crammed into those 2.5 days of conference, as you can well imagine. But if you listen to those figures, and you probably glean from my positive response, overall, it was an enjoyable experience and let's hope it continues. So, I'll hand you back to our CAO, and thank you for listening.

Mark Humphries, Director