

2024

ANNUAL REPORT



SOUTH
COUNTRY

OUR PURPOSE

Enriching Lives and Communities

OUR VALUES

CUSTOMER FOCUSED

*Being great at the little things.
Curious with solutions.
Going the extra mile.
Gritty Determination.*

BUILDS AWESOME TEAMS

*High priority of developing of others.
Giving clarity & expecting the best.
Learning from experiences.
Celebrating success.*

COMMUNICATES EFFECTIVELY

*Sharing knowledge & information.
Asking great questions.
Listening Intentionally.
Instills trust.*

OUR VISION

**GROWING FORWARD, WHILE CREATING SUCCESSES
AND RETURNS FOR GENERATIONS OF TOMORROW.**

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SOUTH COUNTRY CO-OP AT A GLANCE

1

BUSINESS SUPPORT CENTRE

Formerly the site of the original Medicine Hat Agro Centre, was renovated and re-opened in 2017. The updated building now serves as the central location for the Admin and Executive teams.

3

PHARMACIES

Download our app, "Co-op Pharmacy" & visit our site cooprx.ca! Ask about the benefits of being a Coop member at our pharmacies

4

FOOD STORES

Co-op food centres carry community specific products at competitive prices; employ professional meat cutters; stock local produce, and have our own superb quality Private Label brand items.

5

BULK PETROLEUM SITES

Co-op offers bulk delivery of fuel, DEF, and lubricants, and can supply any type of agricultural, commercial, or industrial business.

8

LIQUOR STORES

Superior customer service and a wide selection of beers, wines, & spirits, (including many from LOCAL brewers and distillers) offer our guests a pleasant experience each visit.

11

AGRO/FERTILIZER SITES

Our Agro centres carry a surprising range of products, from home & building supplies, farm supplies, bins & augers, agronomy services, fertilizer, and so much more to ensure our members' needs are met.

12

GAS BARS

We provide 24-hour pay-at-the-pump access at all of our gas bar locations, except one. Plus, we offer clean bathrooms, premium fuel, and award-winning coffee that's definitely worth a stop.

15

CARDLOCKS

South Country's cardlocks are part of a network of over 280 card lock fuel stops, with various amenities for your convenience.

19

COMMUNITIES

South Country Co-op has locations in 19 communities across southern Alberta, with each one offering services tailored to the specific needs of the area. In addition to these locations, we also serve many surrounding communities with our products and services. No matter where you're from, at South Country Co-op, you're always at home.

ACADIA VALLEY
BARONS
BASSANO
BOW ISLAND

BROOKS
CLARESHOLM
DUCHESS
DUNMORE

FOREMOST
HAYS
HIGH RIVER
LETHBRIDGE

LOMOND
MEDICINE HAT
OYEN
PICTURE BUTTE

REDCLIFF
TABER
VAUXHALL

AGENDA

1. Virtual Meeting Etiquette
2. Call Meeting to Order & Welcome Members
3. Land Acknowledgement
4. Oh Canada
5. Adoption of Agenda
6. Introduction of the Board & Invited Guests
7. Greetings from FCL
8. Approval of the 2024 AGM Meeting Minutes
9. Board of Directors' Report
10. CEO's Report
11. Financial & Auditors Report
12. Appointment of Auditors for 2025
13. Nomination Report
14. New Business
15. Question Period
16. Adjournment

OUR PROFITS ARE YOUR PROFITS

Dyed Fuels **3.20%**
(approximately 3.5 cents / litre)

Pumps & Clear Fuel **2.80%**
(approximately 4.0 cents / litre)

Crop Services **1.75%**

Fertilizer **0.75%**

Hardware & Ag Equipment **1.00%**

Tires **0.5%**

Oil & Grease **4.00%**

Propane **4.00%**

Food & Confectionery **2.00%**

Pharmacy **3.5%**

Wine & Spirits **0.75%**

**SOUTH COUNTRY CO-OP PAID
BACK **\$9,473,328** IN CASH
FOR YOUR 2024 PURCHASES**

2024 MINUTES

MINUTES OF THE SOUTH COUNTRY CO-OP LIMITED ANNUAL GENERAL MEETING HELD VIRTUALLY – VIA ZOOM MONDAY, MARCH 25, 2024 @ 7:00 PM

Madam Chair Sue Edwards, Chair of the Board of Directors for South Country Co-op Limited, welcomed all those present virtually and called the meeting to order at:

**7:05 pm with 61 members,
5 guests and 8 Board of Directors**

Agenda

- Bill Ressler #53371, moved the acceptance of the meeting agenda, seconded by Heather Smith-Schenkey #21742. CD

Minutes from 2023 AGM

- Simon Neigum #24401, moved the acceptance of the Meeting Minutes from the 2023 AGM, seconded by Heather Smith-Schenkey #21742. CD

Board of Directors Report

Madam Chair Sue Edwards presented the Board of Directors report for the fiscal year ending November 30, 2023.

Madam Chair Sue Edwards introduced Chief Executive Officer Graham Getz to present the CEO Report.

- Moved for acceptance of the Board of Directors and CEO Reports for the fiscal year ending November 30, 2023, by Adam Elder #226726, seconded by Heather Smith-Schenkey. CD

Financial Report

Chairman of the Audit & Enterprise Risk Committee, Tony Steier, then introduced Brad Dewing, Chief Financial Officer, to present the 2023 Financial Report.

Auditor's Report

Chief Financial Officer, Brad Dewing introduced Delayne Sackman with MNP, LLP to present the Independent Auditor's Report.

The Independent Auditor's Report, dated March 15, 2024, was reviewed by Delayne Sackman with MNP, LLP.

- Moved for acceptance of the Financial and Auditors Reports by Margo Dick #31051, seconded by Marc Cayer #62400. CD

Appointment of Auditor's

Chairman of the Audit & Enterprise Risk Management Committee, Tony Steier, made the recommendation to appoint MNP, LLP as External Auditors for South Country Co-op Limited for the year ending November 30, 2024.

- Moved by Tony Steier #76639, seconded by Paul Giesbrecht #227571, to appoint MNP LLP as auditors for South Country Co-op Limited for the fiscal year ending November 30, 2024. CD

Nomination Report / Director Elections

The chairman of the Nominations Committee, Robert Weisgerber, continued into this portion of the meeting and shared with the members that due to acclamation, no election was required.

Robert declared the three (3) successful candidates: Myrna Cooper, Sue Edwards, and Marcel Vanden Dungen, all for three-year terms.

**Congratulations!
Welcome to the South Country Co-op
Limited Board of Directors.**

New Business

There was no new business brought forward.

Question Period

Madam Chair Sue Edwards and CEO Graham Getz addressed a few questions that were brought forward by the participants of the meeting.

Adjournment

Madam Chair Sue Edwards requested a motion to adjourn the meeting.

- Moved by Marc Cayer #62400, seconded by Adam Elder #226726, to adjourn the meeting at 7:49 pm. CD

BOARD CHAIR REPORT



Sue Edwards

Board Chair

As I reflect on the past year at South Country Co-op, I am filled with pride for the impact we've made alongside our dedicated Team Members and valued members in the communities we serve. With nearly 700 team members and 52 locations across Southern Alberta, our brand plays an integral role in enriching the lives of everyone in these communities.

We have supported programs such as Fuel Good Day, Communities in Mind, Growing Leaders, and Farm to Fork. Additionally, South Country actively engages in philanthropy, with a visible presence in various charitable initiatives.

At South Country Co-op, we embrace the co-operative model, where profits are shared with our members, and each member has an equal voice in the election of our Board of Directors.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for Community

Co-operatively Yours,
Sue

We are: Investing in today
We are: Committing to the future
We are: Co-op

BOARD OF DIRECTORS



**SUE
EDWARDS**

CHAIR



**SIMON
NEIGUM**

VICE-CHAIR



**BILL
RESSLER**

SECRETARY



**MYRNA
COOPER**

DIRECTOR



**MARGO
DICK**

DIRECTOR



**MARCEL
VANDEN DUNGEN**

DIRECTOR



**ROBERT
WEISGERBER**

DIRECTOR

CEO REPORT



GRAHAM GETZ
CHIEF EXECUTIVE OFFICER

This marks my first full year with this incredible organization, and I am deeply grateful to work alongside such a dedicated team. We celebrate a year of progress, collaboration, and commitment to our shared goals.

I want to thank our 69,000 member-owners for your unwavering support and trust. To our 700 team members, thank you for delivering outstanding Co-op experiences every day. A special thank you to our 125 team leaders for their passion and dedication, and to the Board of Directors for your strategic guidance. Together, you form the backbone of our success.

This year, we refined our guiding statements to reflect who we are and where we're headed. Our purpose—Enriching Lives and Communities—drives us to support our members, create employment opportunities, and reinvest locally. Our vision—Growing forward, creating successes and returns for generations to come—inspires us to aim higher. Our values of being customer-focused, building awesome teams, and communicating effectively define our culture and actions.

In 2024, we made significant strides aligned with these refreshed core values:

Customer Focused:

Despite challenges, including a new financial system rollout and the FCL cyber incident, we enhanced efficiency and resilience. Strategic investments in facilities like Lomond and Barons Ag sites, and the Taber and 13th Avenue Gas Bar transformations reflect our commitment to meeting member needs and creating vibrant community hubs.

Building Awesome Teams:

A leadership realignment has better positioned us to serve Ag Producers, Commercial Partners, and Consumers. We're enhancing recruitment, retention, and training programs to foster a culture of empowerment and inclusivity.

Communicating Effectively:

Initiatives like rebranding our corporate office to the Business Support Centre and welcoming over 2,500 new members demonstrate our commitment to collaboration and growth. Sustainability remains a priority, with proactive alignment to federal policies and enhanced risk management practices.

Aligned with our purpose, we supported over 500 community organizations in 2024. Highlights include raising \$27,000 for mental health initiatives, launching the Co-op Growing Leaders program with local 4-H Clubs, and contributing nearly \$10,000 to Big Brothers Big Sisters during Fuel Good Day.

As we look to 2025, our priorities remain clear: developing talent, driving innovation, enhancing our brand, and fostering sustainability. Together, we will build on this year's successes to create lasting value for our members and communities.

Thank you for your trust and commitment. South Country Co-op's future is bright, and I am excited to continue this journey with you.

EXECUTIVE LEADERSHIP TEAM



**GRAHAM
GETZ**

Chief Executive Officer



**KERRI
UNGER**

Executive Assistant



**BRAD
DEWING**

Chief Financial Officer



**DARREN
ANDRES**

Vice President
Consumer



**SHERILYNN
BEBEAU**

Vice President
Talent and Culture



**CARMEN
HUDSON**

Vice President Brand
Development & Facilities



**MIKE
MUELLER**

Vice President
Ag and Energy

AGRIBUSINESS REPORT

Mike Mueller - VP Agro & Energy Division

Agriculture and South Country Co-op go hand in hand in shaping Southern Alberta's economy, contributing significantly to both local livelihoods and the provincial economy. Despite lower grain prices, the region saw a 4.6% increase in farmland values during the first half of 2024. This increase was driven by the rising value of irrigated land, which saw an 80% increase over the past five years due to climate change and drought.

The 2024 growing year was an interesting one within agriculture for South Country Co-op members across Southern Alberta. Multiple drought years previously had brought uncertainty heading into the 2024 winter regarding moisture levels for spring as snow was not abundant. Thankfully, some choice snow and rain events in late Winter and into Spring in some areas helped shape optimism for the growing year.

Southern Alberta grain producers experienced many challenges where temperature fluctuations causing a cool, wet spring followed by abnormally high temperatures in June and July negatively effected crop yields. We had environmental episodes such as hail, insect pressure as well as an unusually low snowpack in the mountains affected water availability for both irrigated and dryland farming. Many irrigation districts were forced to cut back on water usage. Grain prices experienced notable fluctuations influenced by elevated prices early in the year due to concerns on production shortfalls. As the year progressed, improved weather conditions globally coupled with increased seeded acres and yields led to downward pressure on grain prices. Ongoing geopolitical risks, particularly the conflict between Russia and Ukraine, contributed to market uncertainty and volatility.

Commodity pricing in crop inputs did not spur historical volumes as members purchasing fertilizer in the summer as pricing was very flat from June 1 to October 30th. As well, we saw historical lows in glyphosate pricing where we enjoyed large up take in glyphosates as members stockpiled for the 2025 crop year.

Fuel sales rallied in the last half of 2024 as members welcomed lower fuel pricing in time for harvest and through that support South Country Co-op experienced a very robust year in fuel sales. With crack spreads and refining margins being reduced due to market pressures South Country Co-op profitability showed resiliency. South Country Co-op and FCL were challenged with a cyber security incident that significantly impacted operations.

The breach affected both internal and customer facing systems leading to FCL proactively shutting down certain systems and engage third party experts to investigate the issue. As a result, our cardlock fuel locations were temporarily closed as well as our hardware locations experienced service disruptions including finding certain products on store shelves.

South Country Co-op team members banded together to work through these disruptions with pride. We had fuel delivery trucks and drivers parked at key cardlock locations providing fuel for our members as well as partnering with our consumer division and gas bar network to re-route cardlock members to service their needs. We also provided tailored solutions to our members in our hardware locations. Through these challenges South Country Co-op's team members worked tirelessly with our members to provide solutions through such trying times. We proudly commend our team members and their efforts in entirety and appreciate the support and patience of our members.

South Country Co-op in the last half of the year worked towards combining our Ag and Energy divisions with the purpose of showing enhanced operational efficiency, consolidating operational functions, and optimizing resource allocation. The desired outcome of having a unified approach, and tailoring solutions that encompass both agriculture and energy products will enhance our member satisfaction and loyalty. Ultimately, we believe that by exploiting the strengths of both commodities we will contribute to forming a more efficient and financially strong organization which all our members can enjoy. We also believe that this will put us in a competitive advantage, attract new members and retain existing ones ensuring the Co-op's long-term sustainability.

We will continue to focus on our members and provide the best professional development in class for our team members. With data-driven strategic direction we intend to make smart, concise business decisions with the intention of showcasing our most important asset which is our team members. We will strategically enhance our product portfolio and look to build facilities that complement our corporate strategic direction. Our commitment remains to center our business around our members and build lifelong relationships which in turn should enable us to enjoy a profitable relationship together.

Thank you for your support in 2024 and look forward to a successful 2025.

BRAND DEVELOPMENT & FACILITIES

Carmen Hudson - VP Brand Development & Facilities

In 2024, South Country Co-op continued its commitment to growth by enhancing operational efficiency, upgrading facilities, and deepening community partnerships. Through investments in energy efficiency, education, community partnerships and modernized retail spaces, we focused on long-term sustainability while delivering an exceptional experience for our members.

A key priority this year was improving the efficiency and quality of our facilities to align with brand standards and customer expectations. We advanced our transition to LED lighting across multiple locations, including pylon signs and canopies, reducing energy costs while improving visibility and environmental sustainability. At Taber East, we introduced a new state-of-the-art car wash, replacing the outdated system with a more reliable and energy-efficient model. Major upgrades at our Taber East and 13th Avenue gas bars further reflect our commitment to providing high-quality, modern facilities that ensure a consistent and elevated customer experience.

In 2024, South Country Co-op contributed nearly \$35,000 per day to members and the communities we serve through sponsorships, donations, partnerships, as well as our equity and cash back program. A highlight of the year was raising nearly \$30,000 for the Mental Health Foundation of Alberta, a testament to the generosity of our members and customers. We also supported youth leadership through our Growing Leaders initiative, covering 4-H fees for 112 new youth members.

Our team members played an active role in the communities we serve, showing up to support local initiatives and events. Whether flipping pancakes at the Medicine Hat Stampede Pancake Breakfast or burgers at the Lethbridge Whoop-Up Days Mayor's BBQ, helping students through the Tools for School program, or participating in the Terry Fox Run, our employees demonstrated their commitment to giving back. We also supported Red Dress Awareness and National Day for Truth and Reconciliation events, cleaned highways with the Sunrise Rotary Club, and took part in community celebrations such as the Vauxhall Canada Day festivities and Snowflake Frolic. These efforts reflect our belief that a strong community is built through active participation and meaningful contributions.

Looking ahead, we remain focused on sustainability, operational efficiency, and strengthening our community connections. Through strategic investments and collaborative partnerships, we are laying the foundation for long-term success. Thank you to our members, team, and community partners for your continued support—South Country Co-op is moving forward with momentum, and we're excited for what's ahead.



TALENT & CULTURE REPORT

2024 marked a year of significant transformation, driven by strategic initiatives and the integration of new technologies and processes aimed at enhancing our employee experience. These efforts helped us foster growth and adaptability within our organization.

As we reflect on the past year, we acknowledge that change brings both challenges and opportunities. Throughout 2024, we focused on optimizing our HR functions and refining new technologies to ensure their stability and effectiveness. This optimization has allowed us to maintain our focus on improving employee engagement, leadership commitment, and cross-functional collaboration.

We also adapted to evolving legislative changes in Health, Safety, and Environment, ensuring our organization stays compliant while continuing to prioritize the well-being of our employees. Additionally, we strengthened our partnerships with operational teams, aligning our efforts with the broader organizational strategy.

Looking ahead to 2025, we remain committed to further enhancing the employee experience, with a continued focus on training, development, and the growth of our people. We will continue to explore opportunities within our programs to drive success and build stronger partnerships, particularly in support of our retail operations.

- Gizelle Chehab

CONSUMER REPORT

Darren Andres - VP Consumer

FOOD DIVISION

The Food Division experienced a year of significant transformation in 2024, underscored by key leadership changes. We were pleased to welcome Kevin Wagner as our new Food Division Manager, alongside Jill Naber, who took on the leadership of the 13th Ave Food Centre. As we move into 2025, we remain committed to our core value of 'Building Awesome Teams.' This focus continues to drive our efforts in team engagement, succession planning, and the creation of robust career development pathways—critical pillars for sustaining our success.

Mid-year, the division faced substantial challenges due to supply chain disruptions following the FCL cyber-attack. Despite these hurdles, the resilience of our teams, coupled with strong partnerships with our vendors, enabled us to mitigate the disruptions and maintain a consistent experience for our customers, showcasing the collaborative spirit that defines our culture.

A highlight of the year was the inaugural Corn Fest BBQ, hosted by our Taber Food Team in partnership with our Brand and Division teams. The event raised \$574 for Taber Paws, our charitable partner, and distributed 500 Kids Club bags filled with Co-op Gold candy and slush coupons to children in the community, reflecting our ongoing commitment to community engagement and supporting local initiatives.

GAS BAR DIVISION

2024 marked a year of significant operational enhancements for our Gas Bar Division. By April, we completed pump dispenser upgrades at the majority of our gas bar locations, with Strachan and Redcliff scheduled for upgrades in the near future. These improvements are part of our ongoing commitment to operational excellence, aimed at providing a faster and more efficient experience for our customers.

Additionally, the successful rollout of our iced coffee program at most of our gas bars (excluding Taber West) contributed to both customer satisfaction and business growth. The introduction of this refreshing offering helped attract new members and strengthen customer loyalty.

In September, we completed the installation of a state-of-the-art car wash at our Taber East Gas Bar, further enhancing the customer experience through improved service speed and quality. We also undertook ID upgrades at both the 13th Ave and Taber East gas bars, creating modern, inviting spaces that align with our brand and support business development.

As part of our talent development initiatives, our gas bar managers attended the C-Store Clinic in Edmonton, where they gained valuable insights into emerging industry trends and best practices. This knowledge continues to drive innovative solutions, ensuring that we remain at the forefront of the gas bar and convenience store sectors.

PHARMACY DIVISION

The Pharmacy Division faced a series of challenges in 2024. A shift in public vaccine behavior, primarily due to vaccine fatigue, resulted in fewer individuals seeking flu and COVID vaccinations compared to previous years. Additionally, the ongoing shortage of licensed pharmacy professionals, particularly pharmacists and pharmacy technicians, continues to impact our ability to fully optimize our services. This shortage is not unique to South Country Co-op but is a widespread issue affecting communities across Alberta and Canada.

Despite these challenges, we are committed to maximizing the potential of our pharmacy operations once staffing levels are fully addressed. The shortage of pharmacy professionals has temporarily delayed our ability to optimize prescription and professional service income. However, we remain dedicated to addressing these staffing challenges in order to deliver the high-quality service our members expect.

In November, the Alberta government implemented a ministerial order to address overspending on pharmaceuticals, resulting in reduced professional service reimbursements. This order will remain in effect until March 31, 2025, when we expect a new contract with Alberta Blue Cross to be negotiated. Once the new terms are finalized, we will develop a strategic plan to adapt to these changes, ensuring that we continue to provide exceptional service to our members.

LIQUOR DIVISION

The Liquor Division experienced a dynamic shift in consumer preferences throughout 2024, with an increasing demand for healthier, more authentic, and locally-sourced products. In response to this trend, we placed a strategic emphasis on premium offerings and continued our commitment to providing customers with the highest-quality products.

To engage our community, we hosted weekly tastings and educational events, allowing our customers to explore new products and trends in the market. These efforts, combined with our focus on premium offerings, have helped us maintain relevance in a rapidly changing retail environment.

Our partnership with Federated Co-operatives Limited (FCL) on the development of the Emerald Point of Sale (POS) system continued to advance in 2024. This cutting-edge technology will play a key role in improving operations across Liquor, Fuel, and Food commodities within the Co-op Retail System (CRS). As we move forward, we will continue to collaborate with FCL to refine our approach to liquor retailing, ensuring that we remain responsive to emerging trends and regulatory shifts in Alberta and beyond.

TALENT AND CULTURE

At the heart of our operations in 2024 was our continued dedication to 'Building Awesome Teams.' We focused on fostering team engagement, succession planning, and creating robust career development opportunities for our employees. These efforts are key to ensuring long-term success as we work to develop and nurture talent across our divisions.

Our gas bar managers also participated in specialized training for convenience stores, enhancing their knowledge of industry trends and best practices, while equipping them with the skills necessary to drive operational excellence across all locations. As we look ahead to 2025, we remain focused on strengthening our talent pool, ensuring that we have the right people in place to support the ongoing growth and success of our business.

COMMUNITY GIVING HIGHLIGHTS

Customer Focused Builds Awesome Teams Communicates Effectively

TOTAL INVESTED LOCALLY 2024



OVER 500 ORGANIZATIONS REACHED!

- Health & Wellness
- Youth Sports & Recreation
- Arts & Culture
- Youth Education
- Community Non-Profit

\$10,000

FUEL
GOOD
DAY

\$215,000

COMMUNITY
DONATIONS,
SPONSORSHIPS
& GIFT CARDS

\$25,513

COMMUNITIES
IN MIND
PROGRAM



TOP TO BOTTOM - LEFT TO RIGHT

- o Co-op Community Kitchen – Lethbridge Interfaith Food Bank
- o Co-op Night at the Speedway
- o Pinata fun at the Cypress Agro Customer Appreciation event
- o KD Donations at our Northlands Food centre
- o Fuel Good Day – Taber West Gas bar
- o I love local donation – youth sports
 - o BAPS donation
 - o Brooks Shelter donation at the Brooks off leash park
- o United Way Gift Wrapping volunteer event
- o Vauxhall Customer Appreciation BBQ



SOUTH COUNTRY IN REVIEW

TOTAL SALES

2022	2023	2024
\$645,135,108	\$617,815,410	\$600,528,685

MEMBER PATRONAGE

2022	2023	2024
\$22,022,970	\$19,894,062	\$12,156,607

ASSET GROWTH

2022	2023	2024
\$292,839,994	\$270,809,389	\$273,498,743



SOUTH
COUNTRY

