

Valley Foods Cooperative

Valley Foods Cooperative is a full-service grocery store in Lynch, Nebraska, that strengthens the local community by providing access to affordable, healthy fruits, vegetables and meat that are locally and regionally produced.

FAQ's

Q: What is the difference between common stock and preferred stock?

A: Common stock entitles you to one vote in matters concerning the business of the cooperative. There are no voting privileges with preferred stock. Preferred stock has the potential to produce dividends while common stock does not.

Q: If I buy stock for myself and my spouse do we both get a vote?

A: Husbands and wives can each own a share and be voting members, only 1 vote per share.

Q Do you get dividends with the purchase of common stock?

A: No, common stock allows you the right to vote. Only preferred stock has the potential to pay out dividends.

Q: Do you have to pay a membership fee?

A: There is a membership fee written into the bylaws; however, the board can waive that and the board will be waiving any membership fees.

Q: Who is going to run the grocery store?

A: Until we hire a manager, the board of directors will manage the store.

Q: When will you be open?

A: We opened 02/04/2022.

Q: Can I sell stock that I purchase or transfer to someone else?

A: Stock is not transferrable.

Q: Do you have to pay \$100 fee on top of the stock cost?

A: No, you are welcome to pay \$100 to execute your membership and then pay the remaining balance once the stock is deemed successful (\$75,000 raised) OR you can pay in full. If you chose to pay \$100 now, you will have 10 days to pay your balance once the stock is deemed successful.

Q: How often will dividends be paid out and what determines if a dividend will be paid out?

A: No dividend will exceed 8% per year and it will all depend on when and if the store is profitable. Essentially, no one is going to get rich financially by buying stock with the cooperative.

Q: What distributor will you use?

A: We have a contract with AWG located in Norfolk, NE. AWG will deliver to our door once per week.

Q: What did the UNL grant money go toward?

A: Attorney costs for becoming incorporated.

Q: Who will own the building?

A: Valley Foods Cooperative owns the building.

Q: Are there stock certificates that will be issued?

A: Once the stock is deemed to be filed then we will issue a form of written confirmation of the new member's ownership in common and/or preferred stock. Note: The signed membership agreement also acts as supporting documentation of the issuance of the stock. There is a provision in the bylaws that allows but does not require the cooperative to issue a stock certificate.

Q: What about fresh produce?

A: We would like to be able to include local and regional producers to supply healthy foods year round.

Q: Why should I invest?

A: A grocery store is the heart that keeps small, rural communities like ours alive. Research of small, rural towns like ours show that without a grocery store, it is difficult to attract new residents. This leaves the fate of the community questionable. There are currently no grocery options within a 20 mile round trip of Lynch. Having a grocery store in town ensures our children and grandchildren a place to come home to.