

FREQUENTLY ASKED QUESTIONS



RE: CLOSURE OF MIDWEST CO-OP RETAIL STORE IN DUNDALK

1. Why is the Dundalk Retail Store Closing?

The old mill in Dundalk, used as a warehouse in support of our retail store is not owned by the Co-op, and is on leased land. The mill has fallen into a state of disrepair and has increasingly become a liability to the co-op's customers, staff, and inventory. Retail volumes will not fund the investment required in land and a building to support continued retail store operations.

The scheduled closure date is Dec 20, 2024.

2. What criteria was used to determine the support of the store closure?

- Sales Volume
- Facility Condition
- Repairs & Investment Required
- Proximity to Other Servicing Locations

3. How many people work at this location and what is their employment status?

There was a total of 6 employees at the Dundalk retail store location. Two full-time and 4 part-time; including a student who is completing a co-op placement at the Agronomy Centre.

All employees have been provided notice and packages. Should there be employment opportunities at other MCS locations, and they are willing to travel they would be considered for employment during this period, or in the future.

The Dundalk Agronomy Centre continues to employ 8 people.

4. Can customers buy the same products at another Midwest Co-op store in a nearby community?

Yes, we will continue to service members in the Dundalk area from the Agronomy Centre, as well as from our retail stores in Mount Forest and Markdale. We have invested in major upgrades to the Markdale location, and we have added a curtain-side delivery truck with a rear-mount forklift at our Mount Forest location to assist with deliveries in that territory.

Our feed, energy and agronomy sales teams will continue to work with members and customers in the Dundalk area.

5. Are you still investing in Dundalk?

We continue to invest in Dundalk. We expect to start construction on a new crop protection warehouse this fall. The new crop protection warehouse will be safer and more secure than the current warehouse that is currently located in the mill building.

In addition, customers will still be able to access agronomy products at the Dundalk Agronomy Centre. The Co-op recently purchased the property that it sits on from Grey County, as this property was previously being leased.

6. Does Midwest Co-op have a goal in their strategic plan driving this decision?

Strategic planning identified the need to analyze individual business units on their own and not grouped with other departments, as they were done historically. Subsequent planning sessions identified the need to rationalize our Retail Division, which unfortunately has resulted in the store closures in Dundalk in 2024, and Auburn in 2023.

7. Does Midwest Co-op have a designated spokesperson policy, so employees understand who to refer questions to from a customer and the local newspaper or radio station?

Questions can be referred to the General Manager, Kelly Boyle.

8. Is this the first location/facility that the Co-op has closed?

No. In the past, Midwest Co-op (or it’s legacy Co-ops) have closed or converted other facilities in order to respond to changing market conditions and/or business plans.

These closures included:

Retail Stores

- Auburn (2023)

Agronomy Centre

- Teeswater (2022)

Energy Office

- Ferndale (2020)

Feed Mills

- Owen Sound (2020)
- Harriston (2009)

Full Serve Gas Bars

- Teeswater (2024)
(Converted to Cardlock)
- Hanover (2018)
- Durham (2016)
- Mount Forest (2010)

Key Lock

- Teeswater (2020)
- Harriston (2009)

With the closures, the Co-op has also expanded operations and experienced sizeable growth with the below buildings and/or acquisitions:

Fertilizer Warehouses

- Walkerton (2018)
- Harriston (2018)
- Dundalk (2014)

Bulk Plant

- Hanover North (2024)
- Hanover (2023)

Cardlock Sites

- Hanover North (2024)
- Hanover (2023)
- Harriston (2009)

9. Why did the news article that included Andrew Black's comments indicate to contact the Co-op and try to change the decision?

This interview and comments represented Andrew's personal opinion. The Midwest Co-op Board approved the decision to close the Dundalk Retail Store on facts and data that support the decision to move forward with the closure.

10. Why was there communication during the merger that there would be no closure or job losses?

From the merger, there were no closures or job losses. In addition to providing support, growth and professional development to our current staff, the merger and subsequent expansions have created additional jobs at Midwest Co-op to support our progress. Given recent expansion and filling open positions, we have been able to maintain a stable workforce. Depending on the season, our employee count fluctuates between 190-210.

It is the responsibility to the shareholders that your Board and management continue to analyze best practices, efficiency, and profitability of your co-op, thereby making decisions in the best interest of Midwest Co-op in its entirety.