



**Golden Growers
Cooperative**

Memberandum

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Information for members and friends of Golden Growers Cooperative



Governor Jack Dalrymple

Distinguished member, Governor Dalrymple reflects on early days of ProGold and Golden Growers Cooperative

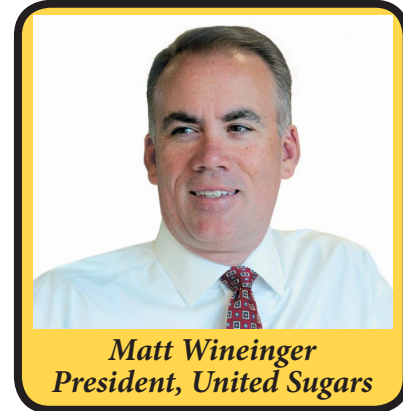
Governor Jack Dalrymple accepted Golden Growers' invitation to visit with the Golden Growers members at their March 24th annual meeting. In 1994, he was asked to join the organizational board for Northern Corn Processors Cooperative—which eventually became Golden Growers Cooperative. Dalrymple played a pivotal role in recruiting organizing directors and serving as a liaison between state and local officials during the siting of the ProGold plant at Wahpeton.

Dalrymple discussed the difficult economic situation ProGold faced in those early days. He expressed his gratitude for Cargill's decision to lease the plant back in 1997. Govenror Dalrymple also stressed the continued importance of North Dakota's first major corn milling plant.



Campbell's voluntary GMO disclosure statement

Campbell's notification states that their products are 'potentially produced with genetic engineering' and asks consumers to learn more about GMO foods through their www.WhatsInMyFood.com website. Campbell's official statement reads, "We continue to recognize that GMOs are safe, as the science indicates that foods derived from crops grown using genetically modified seeds are not nutritionally different from other foods. We also believe this technology will play a crucial role in feeding the world."



*Matt Wineinger
President, United Sugars*

United Sugars President, Matt Wineinger provides overview of the sweetener industry.

Matt Wineinger provided an excellent overview of dynamics affecting the sweetener industry.

In terms of domestic sweetener use, total sweetener consumption remains on the rise, but 'per capita' consumption of caloric sweeteners is declining. Meanwhile, non-caloric sweeteners use is on the rise. Not all non-caloric sweeteners are benefiting, however. Diet sodas have seen significant consumption declines driven by concerns over Aspartame. Recent non-caloric growth has come from stevia and sucralose.

Consumers have adjusted their declining consumption of carbonated soft drinks primarily by increasing tap water use.

GMO ingredients have become a battleground within the food industry, according to Wineinger Congress has not yet approved any national labeling legislation. Meanwhile, companies like Campbell, General Mills, and Mars are moving forward with their own labeling method. Wineinger considered this an encouraging move. "I believe consumers will simply accept disclosures of genetic food labeling as part of the fabric of food labels, leading to greater acceptance." stated Wineinger.

When it comes to HFCS pricing, there are several factors to consider. Domestic sugar prices, freight distribution, ethanol prices, Mexican sugar shipments (to the U.S.), and Mexican sugar supply all have an impact. While corn prices also figure in, corn milling plant utilization is a key factor when it comes to maintaining margins for corn refiners. Wineinger highlighted Cargill's closure of their Memphis plant as a key decision to significantly raise capacity utilization and positively impact profit margins.

A message from Chairman Mark Harless

In his message to Golden Growers members, Chairman Harless recounted several events that had an impact on the corn milling industry. EPA's decision to align the Renewable Fuels Standard (RFS) with a perceived 10% blend wall will slow ethanol expansion. EPA's decision coupled with low oil prices are squeezing profits and limiting innovation for corn derived renewable products. Consumer interest in for sustainable food supplies, concerns over genetically modified crops, and efforts to reduce caloric intake from sweeteners are changing the way food companies are presenting their products in the marketplace.

Harless explained that the Board has taken a proactive approach to the future by investing in a NDSU research project funded in part by the ND Corn Council, ND Agricultural Products Utilization Commission, and USDA's Rural Development Agency. 'Our hope is that this project will help to provide a sense of future direction for Golden Growers Cooperative.' The Cooperative also focused

specific attention to understanding the economic advantages and disadvantages of the ProGold plant.

Managers Report

Executive VP, Scott Stofferahn complimented the Board for their focus on behalf of the membership. He highlighted their approval of a detailed Policy Manual, the implementation of a Risk Management Strategy, and investments in research. Stofferahn suggested that while administrative costs are down again this year, further reductions will be hard to come by given SEC reporting requirements, insurance, and other basic operations expenses. Stofferahn relayed many common questions received from members. (Common Q&As are posted on the GGC Website). In terms of lease negotiations, Stofferahn said, "The simple answer is that discussion are ongoing and there is nothing more we can report."

April, 2016 Memberandum Newsletter



Golden Growers Cooperative
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Board members re-elected at the Golden Growers Cooperative Annual Meeting

- * Nick Pyle of Casselton, ND (NW District)
- * Matt Hasbargen of Breckenridge, MN (NE District)
- * Brett Johnson of Mooreton, ND (SW District)
- * Byron Koehl of Hancock, MN (SE District)
- * David Benedict of Sabin, MN (EC District)



Important Dates:

June 6, 2016—Last day to submit transfer requests
June 16, 2016—Board of Directors Meeting
September, 15, 2016—Board of Directors Meeting
December 9, 2016—Board of Directors Meeting

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