



Memberandum



Information for members and friends of Golden Growers Cooperative

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Board Votes to Issue Partnership Distribution

On September 18th, Golden Growers Cooperative's (GGC) Board of Directors approved a partnership distribution of \$0.20 for every unit of ownership interest in the cooperative. Members of record as of October 1st, 2014 can anticipate receiving distribution checks in mid October.

The Golden Growers Board is relying upon accumulated reserves to issue this distribution as ProGold payments have been suspended in advance of paying for newly installed cooling towers at the plant

Cargill announces closure of Memphis Corn Wet Milling Plant

On September 16th, Cargill announced the closure of their Memphis corn wet milling facility by the first of the year. In their press release, Cargill cited the plant's underutilization and distance from the corn belt as reasons for the closure. Cargill's Memphis plant has a grind capacity of over 190,000 bushels per day with roughly 60% of grind dedicated to HFCS production. By comparison, the ProGold plant has a daily grind capacity of 90,000 bushels per day and is entirely dedicated to HFCS production. Sosland publishing indicated the Memphis plant accounts for roughly 10% of U.S. HFCS capacity.

2015 Incentive Payments & Agency fees

Incentive Payments for Method A Pool participation and Agency Fees for Method B Pool participation will remain the same for 2015. That means Golden Growers will pay \$0.05 for every Method A bushel delivered directly to the plant and will charge \$0.02 for every Method B bushel the Cooperative secures and delivers to the plant on a member's behalf.

2015 Annual Delivery Agreement (Pool Election) to be mailed in October

On an annual basis, Members have the opportunity to change their method of delivery necessary to meet membership obligations under the Uniform Member Agreement. Although Golden Growers will mail every member a new Annual Delivery agreement in mid-October, **only members intending to change their delivery method need to respond.**

The Board of Directors allows a significant advantage for Method A deliveries because they believe it is in the Cooperative's interest to have a large portion of member obligations satisfied through direct member deliveries. Therefore, we encourage each member to seriously consider the \$0.07/bushel Method A advantage when making your annual election. Method A pool participation strengthens our relationship with Cargill, ProGold's tenant, and it assures continued proportional allocation of income to all members of the cooperative.

2014 Method A Delivery Reminder

Members who elect to fulfill all or a portion of their obligated corn deliveries through the Method A pool are reminded to contact Cargill (800-580-2676) for the purpose of scheduling deliveries during the harvest season. Reminder notices will be issued in the coming months.

New cooling towers expected to go online soon

Construction progress on cooling tower installation continues at the ProGold plant. If everything goes as planned, Cargill anticipates a transition from old to new the week of November 3rd. New towers feature top mounted fans and generous use of extruded fiberglass well suited to our colder climate for low maintenance and problem free operation.

Annual Meeting set for March 24, 2015

Please mark your calendars for Golden Growers Annual Meeting to be held Tuesday, March 24, 2015 at the Courtyard by Marriott in Moorhead, MN.

Board Elections for 2015

Its not too early to be thinking about serving on the Golden Growers Board of Directors. All five districts elect a board member at the GGC annual meeting. Existing board members may seek re-election to the board until they reach their limit of serving four consecutive three year terms, but that doesn't always occur. **For 2015, GGC has one Board member in the Southeast District who will reach the term limit.** If you live in the Southeast District and have been contemplating serving on the Board, please feel free to contact the Golden Growers office for more information. Additional information is available on the GGC website. *(The Southeast District includes all of South Dakota and Minnesota counties south of the Wilkin and Ottertail county lines.)*

Ethanol & RFS Support is Crucial

Most corn wet milling operations produce starch, corn syrup (glucose), and ethanol in addition to HFCS. As domestic consumption of HFCS has declined, some of that mill utilization has switched to ethanol production. Strong demand for ethanol is critical to full utilization of corn wet mills – even ones like the Wahpeton plant that produces only HFCS. Lower mill utilization ultimately translates into lower mill values and even lower corn prices. In an election year, it is important to evaluate candidate support for a strong renewable fuels standard (RFS) and promotion of E15. You are also encouraged to regularly communicate the importance of ethanol to Congressional and Senate offices.

Mexican Sugar Trade Case Continues to Move Forward

On August 26th, the Department of Commerce announced a preliminary determination that the Mexican government's support of the Mexican sugar industry allows unfair competition in the U.S. sugar market. Pursuant to the preliminary determination, the US Customs and Border Protection Service was directed to begin collecting import duties on Mexican sugar at rates ranging between 3 and 17%.

An anti-dumping decision by the D.O.C., which could add to the announced duties, is anticipated in late October. The International Trade Commission is conducting a parallel investigation with results expected in early January.

Other Important Dates

December 1—Deadline to submit transfer requests for December 11 Board Meeting
December 11—GGC Board Meeting
December 15—Last day to notify GGC of intentions to change Annual Delivery Agreement (Method A to Method B, or visa versa)

Notify GGC of Changes!!

Please remember to notify GGC immediately of address and phone number changes or the death of a member. Call 701-281-0468

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