



Golden Growers
Cooperative

Memberandum

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GGC Approves Distribution of \$0.14/bushel, Builds Reserve

On June 15th, the Golden Growers Board of Directors approved a distribution of \$2,168,667 to members of record as of June 1, 2017. This distribution is to be issued no later than June 30th. Total 2016 allocated income was \$7,366,209. Along with the February distribution, a total of \$4,383,806 of 2016 equity credit has been retired.

Your Golden Growers Board believes it is important to build a reserve during the course of this lease for several reasons. If Cargill chooses to exercise its option to purchase 50% interest in ProGold from American Crystal Sugar Company, Golden Growers will be obligated to buy American Crystal's remaining 1% in ProGold. In addition, there are likely to be capital expenditures during the lease that are the obligation of ProGold while lease income declines. When capital expenditures occur, distributions from ProGold will be reduced. By building a reserve, Golden Growers Cooperative will be able to moderate the impact of those capital expenditures and declining lease revenue.

The distribution authorized by the Board will result in a remaining equity credit balance for 2016 of \$2,982,403. With this payment, Golden Growers has issued payments to members totaling \$94,043,859. This represents 174% of members' original equity investment in the ProGold plant.

Voluntary Direct Deposit of Member Distributions to Start in October

Golden Growers Cooperative plans to implement electronic payments to members on a limited basis. The Automated Clearing House (ACH) process allows payments to be deposited directly into your bank account.

According to our member survey, 34 percent of members indicated that they were interested in receiving their Golden Growers member distributions through ACH. Based on this survey response, *Golden Growers intends to allow members the option of receiving electronic payments.*



We believe ACH provides an advantage for our members due to quicker and smoother access to member distributions.

If you are interested in direct deposit of your distribution payments, you can find the ACH Authorization form on the **Direct Deposit Page under the 'Membership Information' Tab** on the Golden Growers website (www.goldengrowers.com).

Simply complete the form, attach a VOIDed check and return them to the Golden Growers office.

It is our intention to use ACH for the October 2017 distribution payment, if authorized by the Board.

Please feel free to contact our office if you have any questions.

ProGold Resumes Distributions

On May 23rd, the ProGold Board of Governors voted to resume monthly distributions to members.

As reported earlier, the ProGold Board of Governors suspended distributions to its members for the purpose of implementing alternative plans for the ProGold plant if a lease agreement was not achieved. Now that a lease between ProGold and Cargill has been approved the need to hold cash at the ProGold level has subsided.

The Golden Growers Board is now able to consider future obligations against revenue during the course of the new lease as they plan for member distributions.

GGC Member Related Operations Deliver 60% of Annual Plant Grind

GGC members who meet their annual delivery requirement through direct deliveries to the plant (Method A Pool) also deliver an additional 13.5 million bushels on an annual basis.

This means that nearly 60% of the annual 30 million bushel grind at the ProGold plant comes from Golden Growers members.

(Source: 2016 Member Survey Results)

Revised US/Mexico Sugar Suspension Agreement Reached - Duties/Retaliation Avoided

In late April, after the confirmation of US Secretary of Agriculture Sonny Purdue, expectations for a deal to revise terms of the 2014 Anti-dumping and Countervailing Duty Suspension Agreements were circulating around Washington, D.C. The following week, the U.S. Department of Commerce issued an ultimatum that the Department would reinstate duties on sugar imports from Mexico unless an agreement is reached by June 5th. In response Mexico's sugar industry submitted a request to Mexico's Economy Ministry asking for an investigation into suspected dumping of U.S. HFCS syrup into Mexico. On June 6th, an agreement (in principle) was reached that avoided placement of 80% duties on Mexican sugar and immediate retaliation against HFCS by the Mexican Government. A link to the story is on the GGC Website (www.goldengrowers.com).

Questions on the ProGold Lease Agreement

Members of GGC have asked several questions about the recent lease agreement between ProGold and Cargill. Many questions surround Cargill's 'Option' to purchase 50% of ProGold interest from American Crystal Sugar Company. Why would Cargill want to purchase? Why does ACSC want to sell? Why wouldn't Cargill buy the entire plant (including GGC's interest)? How would a JV between Cargill and GGC work?

In an attempt to answer some of these questions while maintaining confidentiality related to the agreement, we have posted a brief Q & A on the Golden Growers Website under the 'News' tab for your review.

June, 2017 Memberandum Newsletter



Golden Growers Cooperative
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Keep Your Membership Records Up to Date

Your cooperative regularly communicates with you by sending annual reports, newsletters, distributions, tax information, delivery notices, and an annual pool election opportunity.

You can help us make sure you are receiving information by informing Golden Growers whenever you change your mailing address or if there is a change in the status of a member. All you need to do is call the office at 701-281-0468 or email us at scotts@goldengrowers.com with current information and we will update your membership record.

Important Dates:

September 4 – Transfer Request Deadline
September 14 – Board of Directors Meeting
October 15 – Annual Delivery Pool Election Letter Issued
November 28 - Transfer Request Deadline
December 8 – Board of Directors Meeting
December 15 – Annual Delivery Pool Election Deadline
March 28, 2018 - Board of Directors Meeting
March 29, 2018 - Annual Members Meeting

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