



Golden Growers
Cooperative

Memberandum

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GGC Approves Distribution of \$0.14/bushel

On September 14th, the Golden Growers Board of Directors approved a distribution of \$2,168,667 to members of record as of October 1, 2017. This distribution is to be issued no later than October 15th. Total 2017 allocated income was \$7,366,209. With this distribution a total of \$6,552,471 of 2016 equity credit has been retired.

Your Golden Growers Board has determined that it is necessary to build a reserve during the course of this lease. The Cooperative evaluated revenue and cash flows for the current year through the end of the new lease, including the potential for reduced distributions from ProGold LLC due to payments ProGold must make for infrastructure maintenance and certain capital improvements under the lease. The Cooperative also considered its potential purchase and payment obligations under the Consent Agreement dated April 4, 2017.

The distribution authorized by the Board will result in a remaining equity credit balance for 2016 of \$813,738 or \$0.0525 per bushel delivered in 2016.

2018 Incentive Payments and Agency Fees

Incentive Payments for Method A Pool participation and Agency Fees for Method B Pool participation will remain the same for 2018. 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 deliveries to the plant on a member's behalf.

Watch for 2018 Annual Delivery Agreement (Pool Election)

Each year, Members have the opportunity to change their method of delivery by submitting a revised Annual Delivery Agreement. **This is your only opportunity to change your method of delivery for the coming year.**

You should have already received your Annual Delivery Election letter. **Only members intending to change their delivery method need to respond.** Members who deliver directly to the plant through the Method A pool, have a \$0.07/bushel advantage over members participating in the Method B pool. In 2017, 28.6% of our members met their delivery requirements through direct delivery.

Members selecting the Method A pool will receive a follow up letter in December that requires a response.

2017 Method A Delivery Reminder

Members who elected to fulfill all or a portion of their corn delivery obligations through the Method A pool are reminded to contact Cargill (800-266-6732) for the purpose of scheduling deliveries during the harvest season.

GGC Members To Receive 1st Payments by Direct Deposit

Over 230 Golden Growers members will receive their October distribution payment by Direct Deposit through the Automated Clearing House (ACH) system.

The ACH system is a method of bank to bank transfers

whereby GGC uploads a payment file to our bank (Bell Banks) through a secure system. Bell Bank then communicates these transactions directly to the bank of a participating GGC member.

GGC notified members of the opportunity to receive payments by direct deposit in June. Direct Deposit results in fewer errors, no lost checks, and less hassle for both GGC and our members.

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 'Member Information' tab on the Golden Growers website (www.goldengrowers.com). A form was also inserted with your Annual Delivery Election letter.

Simply complete the form, attach a VOIDed check or deposit slip, and return to the Golden Growers Office.

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



Payment Method changes for Method A Pool Participants

Method A pool participants may have noticed a change in how they are being paid for their corn delivered to the ProGold plant beginning in May of this year.

Traditionally, Cargill received corn on behalf of Golden Growers and issued a payment on Golden Growers Accounts for corn delivered to satisfy their annual delivery requirement. Cargill would then purchase the corn from Golden Growers.

Beginning in May, Cargill in Wahpeton switched to a new software system for corn merchandising. This system does not allow payments to be issued on Golden Growers Accounts. Therefore, per agreement, Cargill is acting as Golden Growers Agent to issue payments

directly with a Cargill check.

Golden Growers and Cargill are in the midst of discussions to amend their Grain Services and Corn Supply Agreements. It is our intention to formalize this arrangement and to simplify reporting of Method A revenue and expense between Cargill and Golden Growers.

Since Golden Growers is no longer taking physical control of the corn, it is not necessary for the Cooperative to be a registered roving grain buyer or to purchase a bond.

We anticipate that our amended agreements will simplify and streamline the logistics of Method A payments and reporting for both Golden Growers and Cargill.

October 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:

October 2 – Annual Delivery Pool Election Letter Issued
November 28 - Transfer Request Deadline
December 8 – Board of Directors Meeting
December 10 – Annual Delivery Pool Election Deadline
March 28, 2018 - Board of Directors Meeting
March 29, 2018 - Annual Members Meeting

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