



Memberandum



Information for members and friends of Golden Growers Cooperative

Volume 21, Number 4

October 6, 2015

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- Board Votes to Issue \$0.23 Distribution** On September 17th, Golden Growers Cooperative's (GGC) Board of Directors approved a distribution of \$0.23/membership unit. This distribution completes retirement of allocated income based on 2014 deliveries. The remainder is a partnership distribution for every unit of ownership interest in the cooperative. Members of record as of October 1st, 2014 can anticipate receiving distribution checks in early October.
- 2016 Incentive Payments & Agency fees** Incentive Payments for Method A Pool participation and Agency Fees for Method B Pool participation will remain the same for 2016. 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.
- 2016 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.
- 2015 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.
- ND Changes State Income Tax Withholding Rules** A recent change in ND state law will result in Golden Growers withholding ND State Income tax from additional members. GGC is required to withhold income tax at the highest individual income tax rate for each member's share of allocated income from non-resident members. Prior to 2014, this requirement applied only to non-resident 'individuals'. *Going forward, the definition of 'non-resident' member was expanded to include individuals, non-resident trusts, partnerships, joint ventures, and S-corps.*
- Golden Growers will be surveying some members to verify whether or not an entity is subject to the requirement based on tax status.

Annual Meeting set for March 24, 2016

Please mark your calendars for Golden Growers Annual Meeting to be held Thursday, March 24, 2016 at the Cambria Hotel & Conference Center in West Fargo, ND. Please note this is a change in annual meeting location for 2016.

Board Elections for 2016

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. Additional information is available on the GGC website.

HFCS Prices stronger for 2016

Tight supplies influenced by the January closure of Cargill's Memphis plant have resulted in corn refiners issuing contract offers at \$3.50 to \$4.50 per cwt over 2015 contracted levels. Most contracting with existing customers was concluded by early September. Refiners are currently negotiating tolling agreements for the coming year with large bottlers. Tolling agreements are arrangements whereby a processor agrees to convert a commodity (EX: corn) into specified products (EX: hfcs) based on an agreed upon processing margin.

Mexican Trade Case is All But Over

On September 17th, the U.S. Department said that sugar imports from Mexico have been dumped into the U.S. market. This confirms its preliminary decision a year ago. Earlier this spring Louis Dreyfus Commodities' Imperial Sugar and AmCane Sugar LLC appealed a settlement agreement reached with Mexico. This D.O.C decision will lead to an affirmation of the settlement agreement.

Corn Refiners Association Takes on Sugar Program

In late June, the Corn Refiners Association (CRA) announced that they had hired a battery of lobbyists to attack the sugar program. Conservative groups including the Americans for Tax Reform, Club for Growth, and Heritage Action jumped on board the effort believing that isolating the sugar program from broader farm bill debate would offer the best chance of defeating the program.

Tension between the CRA and the Sugar Association continues to grow as a continuing lawsuit heads to trial in November.

CRA members include Archer Daniels Midland, Cargill, Ingredion, and Tate & Lyle Americas.

GGC's ProGold partner, American Crystal Sugar Cooperative, is not a member of the Sugar Association.

Other Important Dates

December 1—Deadline to submit transfer requests for December 11 Board Meeting

December 10—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:

- Change of address
- Change of phone number, or
- Death of a member

Simply call 701-281-0468 or email the office at scotts@goldengrowers.com to relay up to date information.

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is published by
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