



Golden Growers
Cooperative

Memberandum

Volume 24, Number 4

October 2018

GGC Board Approves Distribution of \$0.14/bushel

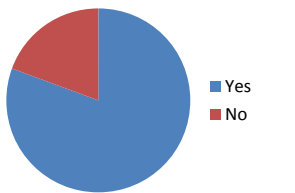
On September 13th, the Golden Growers Board of Directors approved a distribution of \$2,168,667 to members of record as of October 1, 2018. This distribution retires an additional portion of 2017 allocated income and is to be issued no later than October 15th. Total 2017 allocated income was \$8,276,784 or roughly \$0.53/bushel. In combination with the February and June distributions, a total of \$6,831,667 has been issued to members in 2018. Of this amount, the remaining allocated income for 2016 and \$6,017,566 of 2017 allocated income has been retired.

As previously mentioned, the GGC Board believes it is important to build a reserve during the course of this new lease for several reasons that include likely capital expenditures at the plant, and the potential for Cargill to exercise its option to purchase 50% interest in ProGold. This distribution authorized by the Board will result in a remaining equity credit balance for 2017 of \$2,259,218.

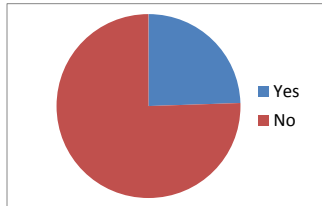
Board Governance Survey Responses

Members received an opportunity to register their opinions on questions related to the size of the Board and number of Districts. Thank you to our members who completed the online survey. Your responses are very helpful in guiding Board decisions.

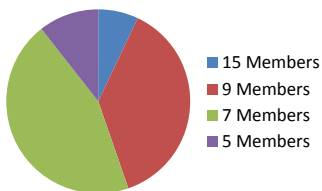
Q1: Do you believe a larger board provides more member engagement for Golden Growers members?



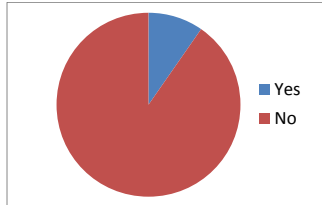
Q2: Do you believe a smaller board is more engaged and results in improved decision making?



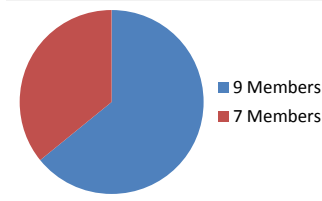
Q3: Do you believe it is important to maintain a 15 member board for Golden Growers Cooperative?



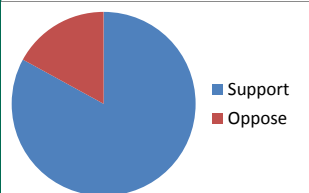
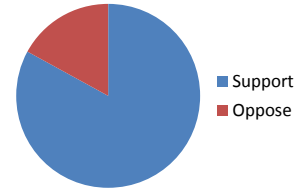
Q4: Other than Golden Growers, what is the most common board size of a cooperative that you are member of?



Q5: If Golden Growers reduces the size of the board, what size would you most prefer?

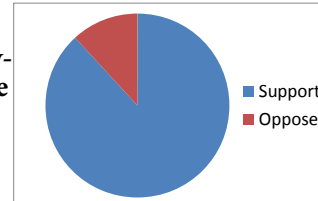


Q6: Would you support or oppose a plan to reduce the number of member districts from 5 to 3?



Q7: Would you support a plan with 2 members elected from each district and 3 members elected at large?

Q8: Would you support a By-law change to reduce the size of the Board and number of Districts?



2019 Incentive Payments and Agency Fees

Incentive Payments and Agency Fees for Method A and Method B Pool participation will remain the same for 2019. That means Golden Growers will pay \$0.05 for Method A bushels delivered directly to the plant and will charge \$0.02 for Method B bushels the Cooperative secures and delivers on a member's behalf.

Watch for 2019 ADA Pool Election

Each year, Members have the opportunity to change their method of delivery by submitting a revised Annual Delivery Agreement (ADA). **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 2018, 27.7% of bushels were delivered by members directly to the plant.

Ingredion transitions Stockton, CA corn wet milling plant

On July 12th, Ingredion announced a \$125 million cost savings plan that will result in ceasing corn wet milling operations at Stockton, CA. Instead, they will utilize the facility as a shipping and distribution station. Ingredion indicated lower than expected sweetener volumes and higher than expected manufacturing costs.

The Stockton plant has a 60,000 per day front end grind capacity with about 20% going to starch and 80% going to HFCS 55 and 42. By comparison Ingredion's Stockton plant is roughly two thirds the size of the ProGold plant.

GGC Board Members Tour Cargill's Blair, NE Facility

In late July, several Golden Growers Board members toured Cargill's Blair, NE corn wet milling plant to obtain a glimpse of Cargill's vision for their corn wet milling plants.

The Blair facility was originally constructed a year before the ProGold plant. There have been two expansions of the mill that today grinds over 100 million bushels of corn per year.

Cargill refers to the Blair plant as a bio-refinery campus where over the fence partners (OTF) utilize starch and sweeteners to produce enzymes for the ethanol industry, lysine for animal and fish food industries, building blocks for plastic manufacturing, and new non-caloric sweeteners.

In addition to OTF partnerships, Cargill adds value to co-products through their Sweet Bran TM line of feeds designed specifically for beef and dairy.

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DIRECT DEPOSIT

www.goldengrowers.com/membership-information/

October 2018 Memberandum Newsletter



Golden Growers Cooperative
1002 Main Ave. W. Suite 5
West Fargo, ND 58078-1421

Notify GGC of Changes!

Please remember to notify GGC immediately of address, phone number changes, or to report the death of a member. Call us at 701-281-0468 or email scotts@goldengrowers.com.

Thinking of Selling or Buying GGC Membership Units?

We often receive calls from members to inquire about buying or selling GGC Membership Units. Members are reminded that all 'arms length' or non immediate family transfers MUST go through our Qualified Matching Service, FNC Ag Stock, LLC in Grand Forks, ND. At www.fncagstock.com, go to the GGC page and review recent sales, offers to sell, and standing offers to buy. You can find additional information on GGC's website.

Important Dates:

October 15 - Annual Delivery Election Letter Mailed

December 4 - Transfer Request Deadline

December 14 - GGC Board Meeting

December 10 - Deadline for 2019 Annual Delivery Election response

March 27, 2019 - GGC Board Meeting

March 28, 2019 - GGC Annual Meeting

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Golden Growers Cooperative
1002 Main Ave. W, Suite 5
West Fargo, ND 58078
701-281-0468

Scott Stofferahn
Executive Vice President
scotts@goldengrowers.com
www.goldengrowers.com

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