



Golden Growers
Cooperative

Memberandum

Volume 24, Number 1

February 2018

MARK YOUR CALENDAR for the Golden Growers Annual Meeting, Thursday, March 29th DoubleTree Conference Center, 825 E. Beaton Drive, West Fargo, ND

The Agenda Includes:

9:00 a.m. Morning Short Courses

- **Genetic testing for fermentation bacterial infection**
Megan O'Neil, National Agricultural Genomics Center
- **Feasibility of Corn Fiber Ethanol**
Kyle Althoff, Equinox
- **Corn Market Outlook for the 2018 Crop Year**
Pat Pithey, Cargill Corn Merchandising

10:00 a.m. Annual Meeting:

- Election of Directors
- Review of the Financial Statements
- Reports by the Chairman and Executive Vice President

11:00 a.m. Guest Speaker John Bode **Corn Refiners Assn.**

11:45 a.m. Lunch followed by your questions



*Golden Growers is pleased to announce John Bode as our annual meeting guest speaker. Since 2013, Mr. Bode has served as the **President of the Corn Refiners Association**, a national association representing the corn wet milling industry of the United States. Prior to his position with CRA, John served as staff for the Senate Agriculture Committee and as a Presidential Appointee at USDA.*

Direct Deposit Enrollment Grows

Golden Growers members continue to embrace the Direct Deposit option. **Participation has nearly doubled to 500 members** since the October distribution.



When you enroll in Direct Deposit you will:

- **NEVER** have to worry about lost checks;
- **RECEIVE** an email or letter to confirm your deposit;
- **HAVE ACCESS** to your money quicker; and
- **SAVE MONEY** for your cooperative

To enroll in Direct Deposit, download the form from our Direct Deposit page under the 'Member Information' tab on our website (www.goldengrowers.com).

District Reorganization and Board Reduction to be Discussed at Annual Meeting

The Golden Growers Board of Directors has reviewed options to reorganize Districts and reduce the number of Board members. While they have not endorsed a change, they did select a preferred plan to discuss with Golden Growers members. The option to be presented would: a) Reduce districts from 5 to 3; b) Reduce the Board from 15 members to 9 members; and c) Allow for 3 Board members to be elected at large.

It is the intention of the Board to present this option at the annual meeting and obtain feedback from members. A survey to gauge member reaction will also be distributed so that those not attending the annual meeting can weigh in. Based on responses, the Board may present an amendment to GGC Bylaws in March of 2019.

The 199A Federal Tax Provision and Golden Growers Cooperative

Since the passage of federal tax legislation, a great deal of consternation has ensued about the 199A provision for cooperatives authored by Senators Hoeven and Thune. In oversimplified terms, **producers who sell to a cooperative may deduct 20% of gross receipts from their business income compared to a 20% deduction against net income for sales to private firms.**

GGC members are wondering if Method A deliveries qualify under this provision. The answer is NO. Because GGC is formed as a MN 308B cooperative, our tax identify is that of a partnership that does not qualify under this provision.

It is unclear if this tax law, with unintended consequences, can be resolved any time soon. Cooperatives want similar treatment to the older 199 provision AND parity with a 40% corporate tax cut to private entities. Stakeholders are meeting, but as of publication, no agreement has been reached. If a fix can be agreed to, it must then be attached to legislation that passes both houses of Congress - a somewhat difficult task. Meanwhile, a great deal of market disruption and 'sham' coop development may occur. For more detailed information about Section 199A, visit www.goldengrowers.com.

Five District Directors to be Elected at March 29th Annual Meeting

At our Annual Meeting, Members have the opportunity to re-elect or elect Directors to serve on the GGC Board of Directors. Current directors up for re-election are: **Gary 'Butch' Jirak**, Breckenridge, MN (NE District); **Larry Vipond**, Herman, MN (SE District); **Scott Jetvig**, Hawley, MN (EC District); **Bruce Speich**, Milnor, ND (SW District); and **Les Nesvig**, LaMoure, ND (NW District).

Any member in good standing is eligible to be nominated for the Board in the district where their membership is registered. If you are interested in serving on the Board and want to be listed on the ballot for your District, you must file a petition with signatures of at least 10 members from your District no later than five days in advance of the annual meeting. Candidates may be nominated from the floor, but their names will not appear on the ballot. For more information, visit www.goldengrowers.com or contact **Scott Stofferahn**, 701-281-0468 or scotts@goldengrowers.com.

GGC Board Allocates 2017 Income and announces payment to retire equity credit

On February 3, 2018, after review of the 2017 end of year financial and income statements, the Board of Directors allocated income of **\$8,276,784** to the members of Golden Growers Cooperative. The Board also approved the retirement of a portion of allocated equity credit in an amount of **\$0.161** per patronized bushel for a total of **\$2,493,967**.

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Golden Growers Cooperative
1002 Main Ave. W. Suite 5
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Golden Growers K-1 Tax Forms

Golden Growers K-1 Tax forms are in the mail. Unlike 1099s, issuing K-1 tax forms requires Golden Growers to close the year, begin our annual audit, and complete our tax return. Because we understand the need to timely issue a K-1 for our farmer members, our K-1 is issued as soon as is humanly possible. Thank you for your patience. If for some reason, you do not receive your K-1 tax form, give our office a call.

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.

Important Dates:

March 20 - Last day to submit transfer requests

March 21 - Last day to file GGC Board
Nominating Petition

March 28 - GGC Board Meeting

March 29 - GGC Annual Meeting

June 14 - GGC Board Meeting

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