



Golden Growers  
Cooperative

# Memberandum

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June 2021

## **GGC Board Approves Distribution of \$0.13/Unit**

On June 17th, the Golden Growers Board of Directors approved a \$0.13/Unit distribution of \$2,013,762 to members of record as of June 1, 2021.

This distribution will retire a portion of remaining 2019 allocated income. With this distribution, the remaining equity credit balance is \$5,765,571 or \$0.37/bushel. This balance is useful in determining per Unit basis levels and does not constitute an outstanding obligation for GGC.

It has been the GGC Board's goal to level out distributions through the current ProGold lease. They estimated capital expenses, the timing of payment for capital projects, and declining lease payments. As we get closer to the end of the lease and capital expenses become clear, the Board will likely make adjustments to assure that payments to members do not exceed reserves and revenues at the end of the current lease.

Golden Growers has issued payments to members totaling \$119,959,432 or 222.3% of the original investment in the ProGold plant.

## **Proposal for Natural Gas Supply Advances**

Earlier this year, Montana Dakota Utilities (MDU) previewed a proposal to increase supply of natural gas to the Wahpeton Community. This comes after several years of advocacy for a solution by Wahpeton city leaders, legislators, and industrial partners.

Presently, Wahpeton-Breckenridge is supplied by Great Plains Natural Gas (GPNG) through a 6-inch, high pressure natural gas pipeline that originates in Vergas, MN as an 8-inch pipe. (GPNG is a subsidiary of MDU.) From Fergus Falls, it is reduced to a 6-inch pipe that serves the Fergus Falls Green Plains ethanol plant and the Wahpeton-Breckenridge area. During high demand circumstances, industrial users are often forced to reduce or shut down operations. This lack of natural gas capacity has resulted in missed opportunities for industrial expansion in the area.

MDU proposes to split service at the state line with Breckenridge being served by the existing pipeline. A new pipeline would be constructed from Mapleton, ND to Wahpeton to serve residential and industrial users on North Dakota side of the river. In addition, a new rate structure proposal would offer firm gas to industrial users at an increased cost that appears to be reasonably priced. These users, including the ProGold Plant, would need to agree to a ten-year contract at the proposed rate. The contract, however, would not result in an extended obligation if, for some reason, operations would cease.

ProGold recently signed a commitment letter for MDU's proposal. We understand nearly all other industrial users have signed on and that surveys are

underway. MDU is expected to make a final decision by July 1st. If everything goes as planned, the new supply pipeline could begin operations in the fall of 2024.

The Golden Growers Board of Directors would like to thank the City of Wahpeton, community leaders, and MDU for their continued efforts. In particular, we would like to thank Mayor Steve Dale and State Representative Alisa Mitskog for their tireless advocacy for a solution. We also extend our appreciation for the work of former MDU employee and Wahpeton's natural gas consultant, David Yexley, whose assistance was key. Unfortunately, Mr. Yexley passed away in March.

This proposal, if approved, is a very positive step for the long-term viability of the ProGold plant and allows for future expansion at the site.

## **Pre-Dryer Repair Approved**

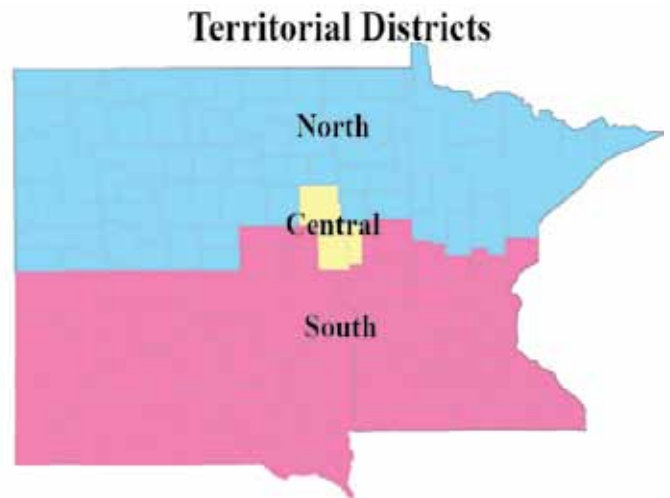
In April, the ProGold Board approved the repair of the pre-dryer at the ProGold plant. This repair is considered a major capital expense where the cost is the financial responsibility of ProGold. Previously, repairs to the finish dryer were completed at an approximate cost of \$1.6 million.

The pre-dryer, which is constructed much the same as the finish dryer, is having similar structural failures that are getting progressively worse. To accomplish the repair, a conveyor must be built so that the previously repaired the finish dryer will function as the pre-dryer. This bypass conveyor allows continued plant operations during the repair. It also adds redundancy for dryer functions should a major failure occur at some time in the future.

## Four GGC Board Vacancies to Occur in 2022 and 2023 - WE NEED YOU!

At the 2022 annual meeting, members will elect three new Directors. Three members of the Board will reach their term limits and according to the 2019 amended bylaws, vacancies will occur as follows: North District – 2-year term; Central District – 1-year term; At Large Director – 1-year term. In 2023, members will also elect a new director for the North district for a 2-year term.

If you have an interest in serving on the Golden Growers Board, this is an excellent time to consider the idea. The district map is here for your reference. If you are located outside of the three state area, you are in the South district. Any member may run for the At Large Director position. Please contact Scott Stofferahn or any of our directors if you have questions.



### Make life easy, choose

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[www.goldengrowers.com/membership-information/](http://www.goldengrowers.com/membership-information/)

### June 2021 Memberandum Newsletter



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### 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](mailto: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](http://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:

**September 6** - Last day to submit transfer requests  
**September 16** - GGC Board Meeting  
**October 15** -2022 Annual Delivery Election in Mail  
**December 15** - Deadline for 2021 ADA Elections  
**December 17** - GGC Board Meeting  
**March 23, 2022** - GGC Board Meeting  
**March 24, 2022** - GGC Annual Meeting

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