



Golden Growers  
Cooperative

# Memberandum

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October 2021

## GGC Board Approves Distribution of \$0.13/bushel

On September 16th, the Golden Growers Board of Directors approved a distribution of \$2,013,762 to members of record as of October 1, 2021. This distribution retires a portion of 2019 allocated income. In combination with the February and June distributions, a total of \$6,041,286 has been issued to members in 2021.

Over the past few years, the GGC Board built a reserve in preparation for capital expenditures at the plant. In anticipation of capital expenses for the pre-dryer repair and the first phase of the distributive control system (DCS), ProGold has reduced distributions to Golden Growers. Golden Growers is able to continue distributions because the GGC Board built a reserve during the course of this lease.

This distribution authorized by the Board will result in a remaining equity credit balance for 2019 of \$117,283 and a 2020 equity credit balance of 3,634,526 totaling \$0.24/bushel. (Note: This balance does not constitute an outstanding obligation for GGC.)

## Anticipate a Bylaw Amendment Proposal in January

Over the past two years, Golden Growers Cooperative held virtual Annual Meetings in order to protect our members from the possibility of COVID-19 infection. Obviously, this is not our preferred way to interact with our membership on an annual basis.

Accordingly, we modified our meeting procedures to allow full participation for every member while still adhering to our bylaw requirements. For instance, all members received ballots in the mail to vote for Directors along with return envelopes, and, based on advice of counsel, ballots received were counted toward our quorum. The good news is that we had more votes cast in each of the last two elections than in any of prior ten elections.

We recognize, however, that bylaw requirements to allow a 'nomination from the floor' would be nearly impossible to effectively or fairly administer. For instance, a roll call vote would not be confidential and we would need to verify that a mailed ballot had not been received from members voting. Further, the floor nominated candidate would be disadvantaged by all of the mailed votes cast prior to the annual meeting.

Recognizing these problems, the Board is reviewing bylaw amendments that are likely to be proposed to the membership by mail in January. Amendments would include:

- Nominations for Director are limited to petitions filed within three weeks of the annual meeting
- Ballots will be mailed with the Annual Meeting notice
- Ballots are officially counted toward the quorum
- Any member may vote by mail in Director elections
- Sections related to the transition period to reduce directors from 15 to 9 will be removed

While we do anticipate an 'in-person' annual meeting for 2022, assuming COVID-19 is under control, and members are protected, this bylaw proposal will assure that we are prepared for anything that might come our way.

## MDU Makes it Official on Natural Gas Pipeline

On July 26th, MDU Resources Group (MDU) and WBI Energy, Inc (WBI), a MDU company, announced a natural gas pipeline expansion project that would connect the WBI pipeline compressor station at Mapleton to a pipeline with delivery stations at Kindred, ND and Wahpeton, ND.

The 65 mile 12 inch pipeline would deliver an additional 20.6 million cubic feet (mcf) of natural gas per day to the two communities. Presently, the community of Wahpeton and industrial users consume between 9 to 11 mcf per day. So this project, when completed, represents a significant expansion of natural gas availability for future community and industrial expansion.

## 2022 Incentive Payments and Agency Fees

Incentive Payments and Agency Fees for Method A and Method B Pool participation will remain the same for 2022. 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.

## 2022 ADA Pool Election Decision

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 with the ADA form on the back page. If you intend to change your delivery method, return the form no later than December 10th.

**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 2021, 27% of bushels were delivered by members directly to the plant.

### Starting in 2022, a \$75 Printed Check Administrative Fee for Members NOT Enrolled in Direct Deposit

The Golden Growers Board had an extensive discussion about the value of Direct Deposit for members (assurance of accurate and timely receipt of distributions) and the cooperative (lower administrative costs). At the conclusion of that discussion, the **Board approved a change in policy** intended to gradually move all members to participate in Direct Deposit. Changes are as follows: 1) **The reprint fee**, for members not enrolling at the time of request, **increases from \$25 to \$50** as of January 1, 2021; 2) Starting January 1, 2022, GGC will charge an **administrative fee of \$75** for non-participating members; and 3) GGC will require **full participation in Direct Deposit** as of January 1, 2023.

Direct Deposit was first utilized in October of 2017 with 250 members participating (16%). Over the past four years, we have had steady growth in participation with 1,343 members enrolled (89.6%) for the October payment. Participants have been pleased with the timely, seamless, and secure process for receipt of distributions. They also receive a mailed letter explaining the payment for their records.

**Avoid the \$75 Printed Check Administrative Fee for 2022. Enroll in Direct Deposit Today.**

Golden Growers will be mailing an enrollment letter to non-participating members in December explaining the change in policy and encouraging participation prior to January Method A payment and the February distribution. You can enroll earlier by completing the reverse side of your distribution payment letter.

### Make life easy, choose

- No Lost Checks!
- Immediate access to \$\$
- Receive Confirmation Letter

**DIRECT DEPOSIT**

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

### October 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:

**October 5** - Annual Delivery Election Letter Mailed

**December 1** - Transfer Request Deadline

**December 17** - GGC Board Meeting

**December 10** - Deadline for 2022 Annual Delivery Election response

**March 23, 2021** - GGC Board Meeting

**March 24, 2021** - GGC Annual Meeting

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