



# Golden Growers Cooperative

## **2023 Annual Electon**

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## Bylaw Amendment Explanation

### GGC Bylaw Amendment Proposal Summary

#### Current Issues related to allocation of income:

- Golden Growers Bylaws require allocation of 25% of income to Method A pool participants. If Method A pool participation drops below 25% of total member bushels delivered for both Method A and Method B pools.
  - \* Uneven allocation of income would need to be tracked by bushel delivered and by year, including the transfer of units from one member to another, regardless of pool participation.
  - \* Golden Growers Cooperative and our accounting firm Eide Bailly.
  - \* Costs associated with increased complexity could run in the hundreds of thousands of dollars each year.
  - \* Golden Growers is organized as a MN 308B Cooperative. Minnesota 308B statutory provisions require no less than 15% 'patronage' participation.

#### The bylaw proposal would:

- Change the Method A allocation requirement from 25% to 15% which aligns with the Minnesota 308B statutory minimum - effective as of January 1, 2023.
- Avoid significant an unnecessary administrative and accounting expense.

#### Sectional changes Include

- Amending Section 8.2 Allocations. (c) Allocation Pools. (i) A Pool

(i) A Pool. The Members delivering under "Method A" by which the Members are obligated to directly deliver corn to the Cooperative for marketing, shall participate in the A Pool. The percentage of the Profits and Losses that is equal to the greater of (x) the percentage that outstanding Units held by the Members delivering under Method A bear to all outstanding Units held by all members, or (y) ~~25%~~ **15%**, shall be allocated to the A Pool. The Profits and Losses so allocated to the A Pool shall be further allocated among the Members participating in the A Pool on the basis of patronage, which shall be the ratio that the volume of the business done with or for each such Member bears to the volume of the business done with or for all Members participating in the A Pool.

**Effective Date:** The effective date of this amendment is January 1, 2023.

## ***Board Candidate Biographies***

### ***At-Large Director, Three (3) Year Term***



#### **Brady Koehl, Hancock, MN**

Brady Koehl lives in Hancock, MN with his wife Elizabeth and two children – Evelyn (4) & Nolan (3). Mr. Koehl is the controller at CR Koehl and Son's, his family's farming operation located in Hancock, MN. Mr. Koehl received a Bachelor of Science Degree in Accounting with minors in Ag Business Management and Economics in from Southwest Minnesota State University. Prior to joining CR Koehl, Mr. Koehl was employed as a public accountant with Conway, Deuth & Schmiesing, PLLP. Mr. Koehl was first elected as a director in March 2022 for a one-year term.

*"I'm very passionate about agriculture and the related industries, & have learned a great deal about the sweetener industry in the last handful of years. It has been a pleasure serving on the Golden Growers Board of Directors - I hope to continue to apply my knowledge and expertise to the board and cooperative."*

### ***Central District Director, Three (3) Year Term***



#### **Nicolas Pyle, Casselton, ND**

Nick Pyle lives near Casselton, ND with his wife Brandy and four children. Nick has been farming since 2002 and serves as a director of McIntyre-Pyle, Inc. Mr. Pyle is President and serves as a director of Unity Seed Company, a member of Global Soy Genetics LLC and Director of McIntyre Farms Partnership. Mr. Pyle holds a Bachelor of Science in Business degree in finance from the University of Minnesota Carlson School of Management. Mr. Pyle was elected as a Golden Growers director from 2010 through 2022 where he served as First Vice-Chairman and Secretary.

*"I enjoyed my first term on the board and would like the opportunity to continue working to better the cooperative for all its members."*

## ***Board Candidate Biographies***

### ***North District Director, Two (2) Year Term***



#### **David Kragnes,**

David Kragnes lives near Felton MN with his wife Peggy where he has farmed since 1972. They are original members of Golden Growers Cooperative. David studied Ag Engineering at NDSU. David served as a board member on the Red River and American Sugarbeet Growers Associations, American Crystal Sugar board, where he served as Chairman, United Sugars Corporation and Midwest Agri Commodities. The National Council of Farmer Cooperatives recognized him as Director of the year in 2007. David currently serves on the CoBank Board, Farm Credit Council Board and the advisory committee for NDSU's Quentin Burdick Center for Cooperatives.

*“First do no harm. As an original member, and having experienced the balance sheet entertainment of the early years, it looks like we are in a pretty good place. I look forward to digging into the details of how our coop has matured. This has been my first year of retirement from the farm and I find myself with enough time to devote to this board.”*

### ***South District Director – Three (3) Year Term***



#### **Richard Bot, Minneota, MN**

Rick Bot lives near Minneota, MN with his wife Ruth. Rick farms in partnership with his brother and daughter. They raise feed grains and feeder lambs. From 1990 to 1996, Mr. Bot served on the Yellow Medicine Watershed board. Mr. Bot has been a clerk of the Westerheim Township Board since 2002. Mr. Bot is currently a member of the of the Marshall Minnesota Sunrise Rotary Club, the Minnesota Rotary Club where he has served as President and as Assistant District Governor. Mr. Bot has a Bachelor of Science degree in Animal Science from South Dakota State University. Mr. Bot was first elected as a director in March 2017.

*“When Golden Growers was established, some of the goals were to add value to our corn and increase farmers’ income. My goal would be to protect our investment, and try to increase the rate of return on the investment into the future.”*