



Golden Growers
Cooperative

Memberandum

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GGC Board Approves Distribution of \$0.14/bushel

On September 14th, the Golden Growers Board of Directors approved a distribution of \$2,168,667 or \$0.14/Unit to members of record as of October 1, 2023. This distribution retires remaining allocated income for 2021 and a portion of allocated income for 2022. In combination with the February and June distributions, a total of \$6,815,811 has been issued to members in 2023.

As you are aware, as of March 1, 2022, Golden Growers Cooperative and Cargill are 50/50 owners of ProGold LLC and a new operating agreement was established. In addition, the lease agreement between ProGold and Cargill was amended to extend through calendar year 2026. The Board's distribution determination is based on anticipated lease agreement revenue and potential capital investment requirements for Golden Growers should a long-term joint venture be established between Cargill and Golden Growers.GGC.)

With this payment, Golden Growers has issued payments to members totaling \$135,295,007 or 251% of original investment in the ProGold plant.

2024 Incentive Payments and Agency Fees

For calendar year 2024, 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.

At \$0.05/bushel, the Method A incentive for 2024 is a reduction from 2023 when the Board authorized an incentive payment of \$0.10/bushel. The 2023 increase was to avoid dropping below the 25% threshold for Method A pool participation. Falling below the 25% threshold would have resulted in greater income being allocated to the Method A pool compared to the Method B pool.

The board believed that the \$200,000 cost for increasing the Method A incentive payment in 2023 was a better option than potentially greater cost associated with the complex task of tracking uneven allocated income.

At our 2023 Annual meeting, members approved a bylaw change reducing the Method A delivery requirement to 15%. This bylaw change removed the concern of uneven allocated income between the Method A and Method B pools for the foreseeable future. As a result, the Board has returned to a \$0.05/bushel Method A incentive payment for 2023.

2024 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 2023, 27.5% of bushels are to be delivered directly to the plant through the Method A pool.

Method A Delivery Options to Consider

Method A Pool participants are permitted to complete their annual delivery requirements through 'affiliated persons'. In these circumstances, Cargill may write the check for corn directly to the affiliated person.

Affiliated persons include producers who: 1) have a familial relationship to the Member; 2) Own or Control 50% or has management rights over the Member; 3) Shares farming resources with the Member; 4) Are an entity in which 50% ownership is by an immediate family member(s) of the Member; and 5) Rents land from the Member on which the crop is produced (Tenant).

Direct Deposit Questions and Answers

Below are some basic answers to questions we receive related to direct deposit.

Q. What happens when I change bank accounts?

A. If you change bank accounts, just write a note to Golden Growers to inform us of the change, attach a new voided check or deposit slip, and sign the request. If it is a joint account, please have all members sign the request. You may also download a new Direct Deposit form from the Golden Growers Cooperative (GGC website), complete it and mail it to our office.

Q. If I change bank accounts and forget to inform GGC, what happens to the payment?

A. If the recipient account is closed, GGC will be notified of the closure by the ACH system and return the deposit to our account. GGC will then issue the payment by check along with a new Direct Deposit form for the member to complete and return to our office.

Q. How will I know when GGC issues a payment?

A. GGC mails a letter to our members immediately describing the payment, date, and amount deposited. The letter also requests members to check their account and report any concerns that might arise.

News Of Interest

WOTUS Rule Change - On August 29th, the EPA and Army Corp of Engineers announced a final rule to amend the waters of the United States (WOTUS) definition. The rule change was necessary to conform to a May Supreme Court decision that removed protections for wetlands with a 'significant nexus' to streams and rivers. The significant nexus test has been in place since a 1985 Supreme Court decision protected wetlands with a 'significant nexus' to other jurisdictional wetlands. For years, the EPA has struggled to implement a rule that sufficiently defined this term. The new Supreme Court decision effectively removes this protection, clearing with way for removal of regulation over 63% of the nation's wetlands.

STB Proposes Reciprocal Switching Rule - On September 7th, the Surface Transportation Board (STB) proposed a rule that would allow a shipper access to another Class I railroad if the railroad serving them is failing to provide adequate service. The proposal would also require Class I railroads to collect and submit first- and last-mile service data. Finally, the proposed rule lays out specific criteria on what constitutes adequate service. Most shipping industry organizations favorably welcomed the proposed rule. Many shippers have become frustrated with Class I railroad performance in light of Precision Scheduled Railroading and post-pandemic service issues. Their first focus is for Class I railroads to improve performance, but if that's not possible, they would like to force some limited competition when another Class I railroad is reasonably accessible.

October 2023 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.

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 5 - Annual Delivery Election Letter Mailed

December 1 - Transfer Request Deadline

December 14 - GGC Board Meeting

December 10 - Deadline for 2024 Annual Delivery Election response

March 20, 2024 - GGC Board Meeting

March 21, 2024 - GGC Annual Meeting

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