



Memberandum

Volume 30, Number 3

April 2025

Resolution approved, Directors Elected, Brett Johnson and Matt Hasbargen are recognized.

The resolution outlining a plan of liquidation and dissolution for Golden Growers Cooperative was approved by members who submitted ballots for the annual meeting. The final vote was an overwhelming 349 members voting yes and only 2 members voting no.

Also, David Kragnes was re-elected as a Director for the North District, Chris Johnson was elected as a Director for the Central District, and Glenn Johnson was elected as an At-large Director.

In advance of his presentation of financial statements, Brady Koehl thanked Brett Johnson and Matt Hasbargen for their service to the cooperative. *"As the youngest member of the Board, I can say that I was fortunate to have been mentored by these two gentlemen. They are both very thoughtful and decent people who have been excellent representatives for our cooperative."* Stofferahn also offered his appreciation. *"Brett and Matt's service on the board mirror my own twelve years as Executive Vice President. It's been a pleasure to work with these smart and dedicated board members."*

Countdown, Our Final Two Years - Chairman Johnson

Chairman Brett Johnson's report to members at the annual meeting centered on expectations for the cooperative's final two years. Johnson explained how the Board concluded that Cargill would purchase Golden Growers interest in ProGold at the end of the current lease period in 2026.

"The decision to negotiate a long-term agreement depended on landing a co-located partner at the Wahpeton facility. And this partner would have to consume at least 30% of the facility's grind capacity," explained Johnson. Over the course of the past year and a half, it became clear that the potential to find that partner within the current lease period had vanished. *"Golden Growers and Cargill had a discussion over the possibility of extending the lease."* According to Johnson, an extension needed to preserve the value of members' financial interest plus a modest increase. *"Ultimately, we were not able to come to an agreement."*

With this realization, Golden Growers and Cargill issued a joint statement that Cargill would purchase Golden Growers interest in ProGold at the end of the current lease. *"After consulting with our legal counsel, we were informed that it would take a full two years to dissolve the Cooperative. Therefore, if we wanted to shut down Golden Growers shortly after Cargill's purchase, we would need to start soon."* Referring to the apparent approval of the resolution submitted to members, Johnson stated, *"Our Cooperative will begin the process to wrap up business."*

Johnson outlined what members can anticipate in the next two years. According to Johnson, Golden Growers will continue with normal operations to include: receipt of lease income from ProGold; member annual delivery obligations through the Method A and B pools; SEC reporting requirements; and member distributions three times each year for 2025 and 2026.

In early 2027, the board will establish a reserve while the bulk of the \$81 million will be paid to members within a reasonable time period upon receipt of the payment from Cargill. *"A final payment will be issued after all obligations are satisfied. We will then notify the Minnesota Secretary of State that Golden Growers has been dissolved."*

Johnson reassured members that their membership remains valuable citing the expected \$81 million payment from Cargill and financial assets. *"Our February payment began the orderly distribution of cash reserves no longer needed for a potential long-term joint venture."* Johnson also emphasized that the future of the ProGold facility is secure. *"Experience informs us that companies investing significant amounts of capital in a facility show a commitment well into the future."* He explained that Cargill had invested millions to improve the plant in recent years. *"While Wahpeton is not the largest facility they operate, it remains one of their best."*

In conclusion, Johnson reflected on Golden Growers thirty-year history with the ProGold plant. *"In addition to providing income to our members, the plant has provided a critical market for our corn, raised the basis in the region and gave confidence for other processors to build and expand in the region. I think we all have some mixed emotions about the next two years. But I am reminded that the average age of our members was 46 in 1995. We are all 30 years older. Perhaps it is time to return the investment you trusted us with so long ago."* Johnson stated that before we close out 2026, Golden Growers will have distributed 300 percent of the original investment to members.

Johnson thanked members for supporting him as he departs after serving twelve years. *"Now I look forward with confidence in our board as Golden Growers heads toward a golden sunset."*

Andy Joehl, “Cargill remains committed to Wahpeton”

Vice President of Trading and Merchandising for Sweeteners, Starches, and Texturizers North America Andy Joehl shared his thoughts about the history and relationship between Cargill and Golden Growers. He emphasized the importance of the ProGold facility to Cargill and to the community. He explained how over thirty years, corn yields have nearly doubled in the region and planted acres have quadrupled in the region.

Joehl credited those who had the vision and took the risk to build the ProGold plant back in 1995. *“Cargill is fortunate to have been your partner.”* According to Joehl, Cargill has employed roughly 120 people continuously since 1997. *“We’ve been able to improve plant capacity by increasing the daily grind from 85,000 bushels per day to 93,000 bushels. On an annual basis, we purchase over 30 million bushels of corn from area producers. And while our partnership changes, our commitment to the facility and industry remains. Our relationship with area farmers continues as does our commitment to the community of Wahpeton.”*

Joel then took time to outline the market environment for 2025. He explained how the corn market had been seeing positive signals with a sense of higher exports, a reduction in final 2024 carry out in the final WASDE report, and weather risks. Recently, however, prices have dropped off significantly due to a combination of port entry fees for Chinese built vessels, then Canada, Mexico, and China tariffs followed by Chinese and Canadian retaliatory tariffs. “We’ll have to see how this all plays out in the coming months.”

April 2025 Memberandum Newsletter



Golden Growers Cooperative
1002 Main Ave. W. Suite 5
West Fargo, ND 58078

Eide Bailly’s Kautzman Discusses Tax Consequences of the Sale - Urges Members to Do Homework

Pat Kautzman anticipates that the purchase will occur in early 2027 with liquidation distributions and final K-1s issued the same year. Golden Growers and Cargill will negotiate to allocate proceeds into three categories with different tax treatment from ordinary income, section 1250 gain, and capital gains. For members who have held the same number of units since 2009, the basis on the K-1 should be correct. Others who have purchased or acquired units will need to know the price paid or values of those units to calculate their basis. He advised members to do their homework now instead of waiting until 2027. Kautzman stated his intention to provide examples that will help members understand tax treatment.

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:

June 12 - Board Meeting
September 11 - Board Meeting
December 11 - Board Meeting
March 18, 2026 - GGC Board Meeting
March 19, 2026 - GGC Annual Meeting

memberandum is published by:

Golden Growers Cooperative
1002 Main Ave. W, Suite 5
West Fargo, ND 58078
701-281-0468

Scott Stofferahn
Executive Vice President
scotts@goldengrowers.com
www.goldengrowers.com

© 2025 Golden Growers Cooperative