



Memberandum

Volume 32, Number 2

April 2026

Chairman Pyle recounts Golden Growers history, measures success.

Golden Growers Chairman Nick Pyle delivered a compelling reflection of the cooperative's origins, early challenges, and long-term achievements. He honored the vision and dedication of the founding board members and measured the cooperative's progress against the ambitious goals set at its inception.

Pyle recounted how ProGold and Golden Growers were born from the collaboration of farm leaders who shared a common dream: to build value-added opportunities for corn producers. Backed by the confidence and expertise of successful cooperatives such as American Crystal, Minn-Dak, and the North Dakota Rural Electric Cooperatives, their effort gained momentum. Following eleven regional meetings held in April 1994, more than 2,200 prospective members contributed seed money to advance the project. By November of that year, after reviewing the prospectus, the majority invested \$52.5 million to establish the new cooperative.

Wahpeton, North Dakota, was ultimately selected as the site for the ProGold plant. Construction began in May 1995, and operations commenced in September 1996. Yet, as Pyle noted, *"even as the plant rose from the ground, the corn sweetener market was shifting."* Industry capacity had grown by 38% while demand increased by only 4% annually. Prices fell sharply, leading to a \$30 million loss in ProGold's first year and even greater losses projected. To safeguard members' equity, the board decided in 1997 to lease the plant to Cargill—a move that stabilized finances, retired debt, and eventually allowed member distributions to begin in 2008. As Pyle described it, *"the fourteen-year drought since initial investment had finally ended."*

Reflecting on the cooperative's enduring purpose, Pyle reaffirmed that the founders sought not only to solve a market problem through collective action, but also to create an enterprise that would make employees, farmers, and communities proud. The effort spurred local corn production and attracted additional processing investment across the region. *"Because of the dream we planted, interest in producing corn blossomed,"* he observed.

Pyle concluded, "We have much to be grateful for. Above all, we are thankful for the loyalty of our members who stood by their cooperative through triumphs and trials."

Pyle's entire presentation is available at www.goldengrowers.com.

Patrie congratulates Golden Growers, asks them to pass skills to future generation of farmers.

At the Golden Growers Annual Meeting on March 19, 2026, in West Fargo, North Dakota, Bill Patrie delivered a heartfelt reflection on cooperation, legacy, and the passage of time. Drawing inspiration from poetry, he recalled the following segment from Dylan Thomas's poem. *'Wild men who caught and sang the sun in flight, And learn too late, they grieved it on its way, Do not go gentle into that good night.'*

"In my 50-year career in North Dakota, I have worked with start-up cooperatives who have caught and sang the sun in flight. Golden Growers is one of those." Stated Patrie. "The light we embraced was the belief we could work together to make our individual farms more profitable. You did that, I helped, and I hope that light never goes out."

He recounted moments with early leaders such as Pat Benedict, Armand Tiegs, and others from the 1993 steering committee whose vision transformed frustration over low farm prices into sustainable prosperity. *"A key reason for the success of farmers creating value added enterprises that increase farmers income is their faithful execution of well thought out ideas. Not everyone can execute on those well thought out feasibility studies and business plans."* In the case of Golden Growers, *"Pat Benedict could,"* continued Patrie.

Throughout his remarks, Patrie emphasized one recurring truth: successful cooperatives are not born of anger or ideology but of discipline, intelligence, and trust. *"In my view, new generation cooperatives break clean of political and organizational ideology. The profitable operation of the enterprise is the single goal. If it does not create a net margin, it is not feasible"*

Patrie told members that corn growers in the region will never forget what you did at Wahpeton. He also advised members that it is their responsibility to pass along skills learned to generations of future farmers to chart a similar path.

Patrie stated that he made 20 trips to Fargo to assist on the ProGold project noting that this was his 21st. *"What a thrill to remember all of you, the important people who built this organization."* Noting the turmoil in the world today, Patrie concluded, *"I will remember this period of time in my life that was, for me, my Camelot. A time when violence was not strength and compassion was not weakness. I will remember Golden Growers as an example of courage and leadership and the power of human cooperation to make lives better."*

Patrie's entire prepared speech is available at www.goldengrowers.com.

Eide Bailly's Kautzman discusses tax consequences.

Pat Kautzman, CPA and Tax Partner at Eide Bailly, gave a presentation to help members prepare for the anticipated sale of the Cooperative's ownership interest in ProGold LLC, expected to take place on January 1, 2027. Because Golden Growers is taxed as a partnership, each member's share of the taxable gain from the sale will appear on their 2027 Schedule K-1, which should be issued in early 2028.

Kautzman explained that the total gain from the sale will include several tax components, each subject to different tax rates. Portions of the gain will be treated as: Ordinary income; Section 1250 gain (taxed at 25%); and Capital gain (taxed at 0%, 15%, or 20%, depending on income level). The difference between the the final liquidation amount received and each member's tax basis in their units will determine if they recognize a capital gain or loss.

(Kautzman continued)

On September 1, 2009, Golden Growers converted from ND cooperative to a Minnesota Section 308B cooperative. At the time, the tax basis of members' units were reset to the fair market value, approximately \$2.85 per unit. This was a taxable event that may have resulted in a tax gain or loss at that time. Since then, each member's basis has changed annually, reflecting Golden Growers' allocated income, losses, and distributions. "If you have not acquired units since the conversion of 2009, the capital account on your Schedule K-1 should be an accurate reflection of your tax basis," stated Kautzman. "Members who purchased, inherited, or sold units since then will need additional information to calculate the tax basis of their units."

Kautzman emphasized that each member is responsible for tracking their own tax basis. Neither Golden Growers nor Eide Bailly maintains those records. He advised members to assemble prior Schedule K-1 forms, records of unit purchases and sales, and documentation of any units acquired through gifts or inheritance. Inherited units generally receive a "step-up" in basis to fair market value, while gifted units carry over the donor's basis.

Using several examples, Kautzman illustrated how members' tax results could vary widely depending on when and how they acquired their units.

He concluded by encouraging all members to begin recordkeeping now to simplify tax reporting when the sale and liquidation occur. Early preparation, he said, will help ensure accurate filings and reduce surprises at tax time. Members should consult their own tax professionals with questions.

Pat Kautzman's slide presentation is available at www.goldengrowers.com.

April 2026 Memberandum Newsletter



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

Executive Vice President Stofferahn shares tentative schedule for the coming year.

Stofferahn laid out the anticipated payment schedule for 2026 and 2027. He stated that orderly distributions in similar amounts as the recent distribution will continue through 2026 to pay out remaining reserve funds. In 2027, we will issue the January Method A incentive followed by a required distribution in February. While the schedule is not set in stone, Stofferahn said the first 'equity' distribution of the \$81 million received from Cargill is likely to be issued in mid-March with the final payment toward the end of the month. GGC will reserve only what is needed to complete final operational obligations through the end of May 2027, when the GGC will be expected to formally dissolve.

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 4 - Last day to submit June transfers
June 11 - Board Meeting
September 10 - Board Meeting
December 17 - Board Meeting
February 1, 2027 - Board 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

© 2026 Golden Growers Cooperative