

‘Reflections’
Nicolas Pyle, Golden Growers Chairman
Annual Meeting, March 19, 2026

The theme for our 2026—and final—Annual Meeting is “Reflections.”

It’s a bittersweet theme as we look back on the remarkable history of Golden Growers and forward to our final days, now just over a year away.

The story of Golden Growers, ProGold, and the people who made it all happen begins on July 27, 1993, when the steering committee of the newly formed *Northern Corn Processors Cooperative* met for the first time at the offices of Cass County Electric Cooperative.

This distinguished group of farm and community leaders included:

- Pat Benedict, former Board Chairman of American Crystal
- Daryl Chisholm, Gary, MN farmer and former Cargill employee with corn milling experience
- Gerald Green, Gary, MN farmer who had organized a group to pursue an ethanol project
- Lyle Hovland, Rothsay, MN farmer representing the Rothsay Ethanol Group
- Jack Dalrymple, Casselton, ND farmer and future Governor, who helped organize Dakota Growers Pasta Cooperative
- Sonja Vculek (later Meehl), Oakes area farmer and grain merchant with Crete Grain Company
- Wally Hardie, Fairmount, ND farmer representing the Richland County Corn Growers Association
- Carl Larson, LaMoure, ND farmer and grain merchant with Larson Grain Company
- Bill Patrie, Development Director for the North Dakota Association of Rural Electric Cooperatives

Also in attendance were several respected leaders from across the region, including Bob Yaggie (Breckenridge, MN), Mike Warner (Hillsboro, ND), Jim Hanson (Ada, MN), Armand Tiegs (Hankinson, ND), Claire Vigesaa (Carrington, ND), and Dick Saylor from American Crystal Sugar.

At that meeting, the group reviewed a feasibility study for a corn wet milling plant previously obtained by American Crystal Sugar and supported by its President and CEO, Joe Famalette. Famalette encouraged further discussions, lending early credibility and momentum to the project.

It was a time of “co-op fever” across the region—an era that gave rise to initiatives such as Dakota Growers Pasta Cooperative and the North American Bison Cooperative. While enthusiasm was high, many remained skeptical due to past failures in corn milling ventures. What made this different was the involvement of successful cooperative organizations such as American Crystal, Minn-Dak, and the North Dakota Association of Rural Electric Cooperatives, giving the committee the confidence to move forward.

Over the following year, tremendous progress was made. ProGold LLC was formed and staffed, feasibility studies were commissioned, and site selection began. American Crystal provided critical administrative support during these early stages.

In early 1994, the consulting firm Senechal, Jorgensen, and Hale of Danvers, Massachusetts prepared a feasibility study showing a corn processing plant could be viable. The region's high corn basis (the lower local corn price compared to futures) would provide a significant cost advantage. Food manufacturers surveyed expressed a strong interest in having a single source for beet sugar and corn sweetener, and American Crystal's marketing experience promised a powerful boost to ProGold's competitive positioning.

Formalizing relationships between Northern Corn Processors, American Crystal, and Minn-Dak led to the decision to double the proposed plant capacity—to process approximately 80,000 bushels per day.

The cooperative began to take the project directly to the farm community. Meetings had to be professional, informative, and persuasive to gain support. Before addressing producers directly, the steering committee presented to a select group of lending institutions. This strategy proved critical as many stepped up to offer financing packages for member investments.

In April 1994, Northern Corn Processors held 11 regional meetings to gauge interest in the project. Chair Pat Benedict, recovering from heart surgery, demonstrated remarkable commitment by leading most of the presentations himself. The first meeting, held in Fargo, drew more than 700 attendees—signaling strong enthusiasm.

By the end of the tour, over 2,200 potential members contributed more than \$1.7 million in “seed” funding (at \$0.10 per potential share) to finance the project's continued development. It is hard to overestimate the importance of Pat Benedict's quiet, confident leadership at those meetings. The steering committee knew what they were doing when they elected Pat as Chairman.

That June, ProGold leased office space, hired Jim Horvath as CEO and Mark Dillon as Communications Director, both formerly with American Crystal, and brought on Joe Tally from Eide Bailly to handle the growing financial and administrative workload for ProGold and Golden Growers.

On June 16, 1994, Northern Corn Processors officially changed its name to Golden Growers Cooperative. Articles of incorporation were filed, bylaws and grower agreements drafted, and the first prospectus prepared.

By November, a 200-page prospectus was mailed to those who had contributed seed money earlier in the year. As Joe Tally later recalled, “*Without public meetings, a media campaign, or any other overt activities, the money literally poured in.*” The response was extraordinary: by December 1994, 2,045 farmers had invested \$52.4 million in shares of the new cooperative.

Competition among three states for the proposed \$260 million facility was intense. According to an NDSU study, the project was projected to add \$582 million to the economy. South Dakota offered direct grants. Minnesota approved additional tax incentives.

North Dakota's Governor Ed Schafer even called a special legislative session to approve his state's package.

By January 1995, selection had narrowed to three possible locations: Big Stone City, South Dakota; and Wahpeton or Hankinson in North Dakota.

In March, after extensive analysis, the ProGold LLC board chose Wahpeton, North Dakota as the preferred site.

ProGold hired Faith and Gould to manage engineering and construction and Red Geurts as ProGold's General Manager. Construction advanced rapidly.

The 1996 Golden Growers Annual Report observed:

“ProGold’s plans became a physical reality in May of 1995, with the dedication of the plant site near Wahpeton... The construction schedule was challenging, allowing little, if any, time for unforeseen delays or changes.”

At its peak, more than 1,200 construction workers labored on-site—a testament to the project's momentum and urgency.

Even as the plant rose from the ground, the corn sweetener market was shifting. Minnesota Corn Processors built a new plant in Nebraska with plans to expand in Marshall, Minnesota, Cargill expanded in Blair, NE, and ADM announced major expansions elsewhere. These projects, with the addition of ProGold, collectively added 38% more production capacity to a market growing at only 4% annually. As *Milling and Baking News* bluntly observed, *“At that rate, it would take seven to eight years of growth to absorb the newly announced capacity in the United States.”*

In June 1996, Mark Dillon became Golden Growers' first Executive Vice President, solidifying the cooperative's independent identity. That September, the ProGold plant began operations, producing high quality products—but market conditions quickly turned against it.

By early 1997, corn sweetener prices had fallen by a third, with poor future projections. A hoped-for increase in HFCS demand from Mexican soft drinks failed to materialize. The ProGold Board projected losses of \$30 million the first year and \$36 million the next—unsustainable without drastic action.

Seeking a solution, the Board hired a merger and acquisition specialist for the purpose of selling or leasing the plant.

Ultimately, Cargill was selected to lease the plant for ten years. The lease allowed ProGold to pay down debt and preserve member equity. Over the next 29 years, Cargill renewed the lease three times. Minn-Dak later sold its interest to American Crystal, and in 2022, Cargill purchased American Crystal's share to become a 50/50 partner with Golden Growers.

Golden Growers itself adapted as well. Recognizing the constraints of North Dakota cooperative law under the lease arrangement, the cooperative reorganized on September 1, 2009, as a Minnesota 308B Cooperative—allowing it to be taxed as a partnership while maintaining cooperative governance.

Before that transition, members finally saw rewards for their patience and loyalty. In August 2008, Golden Growers issued over 60¢ per share, totaling \$9 million in payments. Dividends followed—41¢ (\$6.3 million) in January 2009 and 32¢ (\$4.9 million) that September. The 14-year drought since initial investment had finally ended. By the end of this year, 2026, Golden Growers will have returned over 300% of the original member investment.

In January 2027, Cargill will purchase Golden Growers' remaining 50% interest in the ProGold plant for \$81 million, enabling the cooperative to return that equity to our members—equity that would have been lost without the leadership and courage of our founding visionaries.

I often reflect on what those early Board meetings must have been like as Golden Growers and ProGold leaders navigated such complex challenges. In May 1995, Golden Growers transitioned from a founding board to one elected by its members. My father, Harvey Pyle, served on that first elected Board. I was sixteen at the time—aware of the public discussions, but never privy to what was said behind closed doors. Looking back, I marvel at their dedication and sacrifices. I'm deeply proud to have been part of this journey that began so many years ago.

Perhaps it would be worthwhile to examine why these leaders, cooperatives, and members put the plan in motion to build the ProGold plant. What was their vision? What was their dream?

While still working for American Crystal, our former Executive Vice President Mark Dillon was asked to interview Pat Benedict for the company newsletter. Mark found Pat in a field of corn and recalled one comment that stuck with him. Pat stated, *"It's my dream that someday, every crop on our farm will be processed through a farmer-owned co-op."*

Reading through the minutes, annual reports, and news stories, I could see Pat's vision. I could also see the vision of the ProGold and Golden Growers board members.

Yes, they wanted to move up the food chain, process their own grain, and become more profitable. They wanted to solve a market problem for an area that got paid less for their crop than anywhere else in the nation. But they wanted to do it the right way. They wanted a facility that the community would be proud of. A plant that the employees would feel connected to and treat it as their own.

Let's measure the success of their vision.

In 2027, we will no longer be an owner of ProGold's facility. But we did have an ownership in that dream for over 30 years. Although we wanted to be long-term owners and partners, it was not to be. So part of that vision will not be fully realized. But those 30 years meant a great deal to all of us.

Did we create a market in our area? Absolutely. When ProGold started, the main concern was whether or not there would be enough corn in the area to feed the plant. Because of the dream we planted, interest in producing corn blossomed. And with it, numerous additional corn processing plants arrived in the area to enhance a market that began with ProGold and Golden Growers.

As board members who've toured the ProGold plant several times, we are constantly impressed by the way employees take pride in where they work. It isn't lost on them that the plant is owned by people from their own community and region. A few, like our good friend Pat Pithey, started with ProGold and understands the cooperative mindset established so long ago.

And let's not forget how important the ProGold facility is to the community of Wahpeton. They've also been our partner through this journey. This partnership was never more evident than when they recently worked to assure a consistent natural gas supply well into the future.

And finally, to our friends at Cargill. Just because you own the place entirely in 2027 doesn't mean that we won't be watching. It was our baby. Take care of it, nurture it, and grow it. You will be on your own. Don't take things for granted.

As we approach the conclusion of Golden Growers' remarkable story, we have much to be grateful for. Above all, we are thankful for the loyalty of our members, who stood by this cooperative through both triumphs and trials. Please accept our deep appreciation which can't be fully measured or expressed.