

Memberandum



Information for members and friends of Golden Growers Cooperative

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Brett Johnson & Matt Hasbargen Elected to Golden Growers Board

At the annual meeting held March 21st, the following members were **re-elected**: **Byron Koehl** in the Southeast District, **Nicholas Pyle** in the Northwest District, and **David Benedict** in the East Central District. Members also elected two new Directors, **Brett Johnson** in the Southwest District and **Matt Hasbargen** in the Northeast District.



Brett Johnson farms in partnership with his brother near Mooreton, ND where they raise corn, soybeans, and sunflowers. He holds a Bachelor of Science degree in Agricultural Economics from NDSU. Brett serves on the Wyndmere School Board and has been active as a township officer, on the North Dakota Soybean Council, and through the Sons of American Legion. He is married to Michelle and they have two children Alissa and Alec.

Matt Hasbargen farms near Breckenridge, MN with his father Mike, uncle Dave, and brother Marc. In winter months, he works for AgContry Farm Credit Services as a Senior Insurance Specialist. Prior to returning home to farm in 1999, Matt worked for Minnesota Life in St. Paul, MN where he managed life insurance accounts for Farm Credit districts throughout the United States. Matt holds a Economics degree from Concordia college. He is married to Katie and they have two boys Alexander and Nicholas.



Executive Committee Reorganized

Following the Annual Meeting the Golden Growers Board of Directors re-elected **Chairman Jason Medhaug** of Veblen, SD. The remaining members of the Executive Committee were elected as follows:

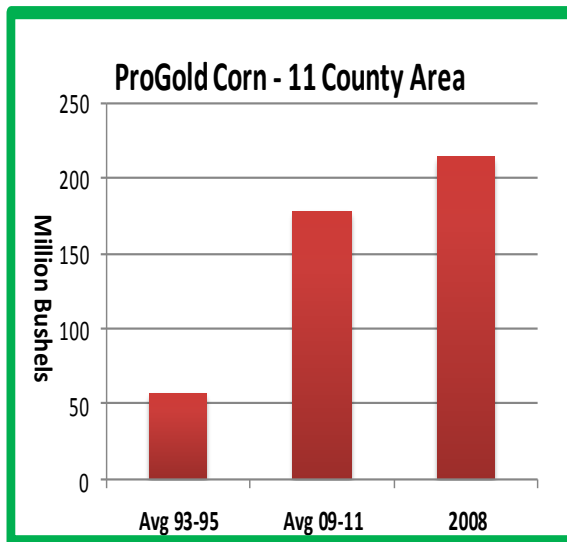
- First Vice-Chairman, **Paul Borgen** of Dilworth, MN
- Second Vice-Chairman, **Mark Harless** of Moorhead, MN
- Secretary, **Nicholas Pyle** of Casselton, ND
- Treasurer, **Les Nesvig** of LaMoure, ND
- 1st Alternate, ProGold Board of Governors, **Shaun Beauclair**, Stephen, MN
- 2nd Alternate, ProGold Board of Governor, **David Benedict**, Sabin, MN

Paid in Full

In his Chairman's Report, Jason Medhaug highlighted the significant 'Milestone' of payments. *"When we mailed out checks to retire equity credits in February, Golden Growers Combined Distribution now total 100.4% of original investment. In other words, Every penny of our members' original investment of \$3.45/share has been paid back,"* stated Medhaug.

The Place to Be for Corn Milling

Chairman Medhaug presented information on corn production in the eleven county area surrounding the ProGold plant. In the three years prior to plant operation, average production was 56 million bushels. For 2009-2011, the average was 214 million bushels—a 313% increase.



“My point is this, if you are going to be in the corn milling business, our region is the place you want to be. This is true relative to corn supply, but it is also a great hedge against a corn-belt centered drought,” said Medhaug.

Annual Report Chart Correction

An error was discovered on the ‘Highlights’ chart just inside the front cover of the Annual Report. Below is the correct information—we apologize for the error. A corrected 2012 Annual Report is on the Golden Growers website.

HIGHLIGHTS	Year Ended Dec. 31, 2012	Year Ended Dec. 31, 2011	Year Ended Dec. 31, 2010
Total Members' Equity	\$42,744,000	\$46,576,000	\$51,187,000
Income from ProGold LLC	\$6,596,000	\$6,157,000	\$5,900,000
Net Income	\$5,649,000	\$5,338,000	\$5,009,000
Earnings per Unit	\$0.36	\$0.34	\$0.32

Owen Wagner, LMC International

Annual meeting guest speaker **Owen Wagner of LMC International** discussed sweetener market dynamics as they relate to consumption of High Fructose Corn Syrup (HFCS). Wagner stated that HFCS use continues to decline in the US, but the decline is decelerating. Substitution of HFCS with cheaper Mexican sugar dried up after the first two years of the North American Free Trade Agreement (NAFTA) integration. Some food companies have already switched back to HFCS.

Declining soft drink demand accounts, almost entirely, for reductions in HFCS-55 demand. And cheaper Mexican sugar since NAFTA integration reduced HFCS-42 usage in the US. Meanwhile, Mexican HFCS imports have exceeded 100 million tons over the past three years. *“In 2013, we’re actually ahead of that pace.”* Even with a record sugar crop and falling sugar prices, *“they can’t get enough of this stuff,”* relayed Wagner.

Exports to non-NAFTA regions like Southeast Asia and Europe are showing potential. There is a possibility of expanded HFCS production in countries where grain is exported and sugar is imported. High intensity sweetener usage stands at a 4.5 million ton sugar equivalent.

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