

September 15, 2009

Dear Golden Growers Member:

You will find two checks enclosed.

One check is for \$150, which is the redemption of your single share of Class A stock as part of the conversion of Golden Growers to a Minnesota 308B cooperative association. Prior to September 1, 2009, you were required to have this form of stock, but as a Minnesota cooperative this stock is no longer required. This redemption is taxable and you should report the \$150 on your tax return as proceeds received for the sale of your Class A stock. You will determine your gain or loss on this share by subtracting the adjusted tax basis in the share from the \$150 sale price. If you paid \$150 for your Class A share, you will not have any tax gain or loss from the redemption. If you received your share at a price other than \$150 you may have a different tax basis and different tax results.

The second check is a partnership distribution of cash from Golden Growers – Minnesota (the new entity). This distribution is not a part of the formal plan of conversion to the new entity. The distribution is a “return of capital” and should not be taxable to you. The amount represents 32¢ per ownership Unit that you hold in Golden Growers. Your ownership Units equal the number of Class B shares you held in Golden Growers – North Dakota.

As always, we cannot give tax advice, so you may wish to share this letter with your tax advisor if you have any questions about the taxability of these distributions.

Each time Golden Growers has distributed funds in the past we have received phone calls from members wanting to know the timing and amount of future distributions. It is impossible to answer those questions, because we cannot anticipate future actions of the board of directors. This is especially true as we transition from an organization taxed as a cooperative to one taxed as a limited liability company and change our fiscal year to match the calendar year. However, you can be assured that the board hopes to maximize returns to members while maintaining a strong balance sheet and remaining open to business opportunities that will strengthen the cooperative in the future.

Thank you for your past loyalty and confidence in Golden Growers. We are pleased that your willingness to “hang in there” can now be rewarded.

Sincerely,

A handwritten signature in black ink that reads "Mark C. Dillon". The signature is written in a cursive style with a large, sweeping initial "M".

Mark C. Dillon  
Executive Vice President