

**IMPORTANT INFORMATION – RETAIN WITH YOUR TAX PAPERS**

February 16, 2011

Dear Golden Growers Member:

On January 31, the Board of Directors reviewed the financial statements for the fiscal year that ended December 31, 2010. The results indicate that Golden Growers had net taxable income of \$6,537,469 for 2010.

This income must be allocated to our Members in proportion to their patronage of the cooperative during the year. “Patronage” is the total number of bushels delivered by each member, by Method A and/or Method B, between January 1 and December 31. **The Board declared an allocation of \$0.42225 per bushel delivered in 2010.** You should have recently received an IRS Schedule K-1 indicating the amount of your allocation; you are responsible for any tax liability resulting from your share of the allocation. This allocation is in the form of equity credits.

**The Board also approved a cash distribution of \$0.21 per delivered bushel**, which is 49.7% of the allocation, and a check for that amount is enclosed. This distribution is a partial retirement of calendar year 2010 equity credits, and is not typically taxable.

If you delivered corn in 2010 by Method A – Direct Delivery – you are also receiving a check for \$0.05 for each bushel you delivered by Method A. This is the Incentive Payment you earned for 2010 and it will have a different tax effect than the distribution.

If you delivered corn in 2010 by Method B – Agency Delivery – you will note that \$0.02 has been deducted from your distribution for each bushel you delivered by Method B. This is the Agency Fee, and it also will have a different tax effect than the distribution. If you owned some units for less than the full year, your Agency Fee is pro-rated for the portion of the year you owned those units.

If you are an individual member and do not reside in North Dakota, we have deducted 4.86% North Dakota nonresident state income tax withholding from your distribution as required by North Dakota law. All non-North Dakota members should consult their tax advisor about their North Dakota income tax filing obligation and how to claim their nonresident withholding credit.

**Golden Growers is not qualified to provide, and this letter does not constitute, tax advice.** Please contact a qualified tax advisor with any questions about tax documents or the tax effect of payments from or charges you incur from Golden Growers. **Please retain this letter with your tax papers and share it with your tax advisor.**

Best regards,



Mark C. Dillon  
Executive Vice President

P.S. If you received an envelope addressed to “AgCountry, Fargo,” with your K-1, please ignore it. These envelopes were incorrectly inserted in some of our tax documents by the mailing service we used. Our apologies.