

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

February 15, 2012

Dear Golden Growers Member:

For 2011, Golden Growers had net taxable income of \$5,086,879, which must be allocated to our Members in proportion to their patronage during the year. **The Board of Directors has declared an allocation of \$0.3283 per-bushel-delivered in 2011.** An “allocation” is your share of the taxable income, NOT a cash distribution. You should have already received an IRS Schedule K-1 indicating the amount of your 2011 allocation, and you are responsible for any tax liability on 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,** or 63.9% of the allocation, and a check for that amount is enclosed. This distribution is a partial retirement of the calendar year 2011 equity credits, and is not typically taxable.

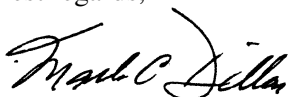
If you delivered corn in 2011 by Method A – Direct Delivery – you have already received a check for \$0.05 for each bushel you delivered by Method A. This was the Incentive Payment you earned for 2011 and it will have a different tax effect than the distribution.

If you delivered corn in 2011 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 for 2011, 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 withheld 3.99% North Dakota nonresident state income tax from your distribution as required by law. Non-North Dakota members should consult a 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.** Contact a qualified tax advisor with any questions about tax documents or the tax effect of payments or charges 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