

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

February 13, 2013

Dear Golden Growers Member:

For 2012, Golden Growers had net taxable income of \$5,822,153 which must be allocated to our Members in proportion to their patronage during the year. **The Board of Directors has declared an allocation of \$0.37586 per-bushel-delivered in 2012.** 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 2012 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 \$0.20 per delivered bushel**, or 53.2% of the allocation, and a check for that amount is enclosed. This distribution is a partial retirement of the calendar year 2012 equity credits, and is not typically taxable.

If you delivered corn in 2012 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 2012 and it will have a different tax effect than the distribution.

If you delivered corn in 2012 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 2012, and it also will have a different tax effect than the distribution.

**Note:** *Members who transferred Units during the year were paid their incentive payment (Method A) AND Members transferring Units paid the agency fee (Method B) during the transfer process so it is not deducted from this distribution. Further, allocations of income reflected on the Schedule K-1, were issued to the Member who transferred Units effective in 2012.*

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,



Scott B. Stofferahn  
Executive Vice President