



NORTHWEST GRAIN GROWERS, INC. & COLUMBIA COUNTY GRAIN GROWERS, INC.

UNIFICATION QUESTIONS/ANSWERS

1. Why did the Boards decide to pursue the idea of a merger?

Over the past several years, each of your Boards have engaged in long-term strategic planning meetings on their own and with other cooperatives. Over the last year CCGG and NWGG have concentrated these efforts with each other. Your Boards have determined that members needs can be better met by unifying the cooperatives. Our Boards believe that we can be more effective in marketing your grain while better utilizing our assets, both human and physical, with our combined volume, facilities, expertise and financial strength.

THE BOARDS OF BOTH COOPERATIVES UNANIMOUSLY RECOMMEND THAT MEMBERS VOTE IN FAVOR OF MERGING THE TWO COMPANIES.

2. What is being recommended?

A merger between Columbia County Grain Growers (CCGG) and Northwest Grain Growers (NWGG). The name of the unified company will be Northwest Grain Growers as it is Regional in nature and will allow the company to grow into the future. The general office will be at NWGG's existing office in Walla Walla. The Dayton office will be maintained and staffed with crew so that members will be able to sell grain, receive grain checks, obtain market information and pay accounts the same way as done today.

3. Why do this now?

Over the last few years, your Board has seen a number of compelling reasons to unify.

- a. Additional up-country consolidation of grain cooperatives through mergers or marketing agreements have altered the sourcing of grain delivered to Portland. In short, the size of your marketing deck impacts the prices quoted for your grain by Portland exporters.
- b. Together, we will enhance our ability to make our members more profitable by providing additional grain market information (marketing meetings and newsletters), and be more efficient in administrative functions and regulatory compliance.
- c. Attracting and retaining qualified employees at all levels throughout the company is becoming more difficult in smaller Ag based communities. This merger will add depth at key positions and reduce voids created through retirements that will occur over the next few years.
- d. It makes sense to do this when we're both financially strong companies and operate updated facilities.

4. How will the merger affect my membership?

Each member of CCGG will exchange his or her share of \$30.00 par value common stock for one share of \$30.00 NWGG common stock. Any member of CCGG who is also a member of NWGG and who intends to remain a member of NWGG will receive payment for their \$30.00 share of common stock in CCGG.

5. What will happen to my equity?

CCGG will make a special payment of back dividends from its own working capital of approximately \$1,700,000 to retire equities through 2011. This will bring the retained patronage of CCGG to the same year as NWGG. Upon the effective merger date, the remaining equity in CCGG will be exchanged on a dollar for dollar basis for NWGG equity. Without this unification, CCGG would not redeem this \$1.7 million immediately. NWGG equity will not be used to bring CCGG past equities current. Any future equity redemptions or cash allocations will be made at the discretion of the Board of Directors and determined by the continued profitability of the company and continued patronage of its members.

Previously unallocated margins of NWGG and CCGG will remain as such and retain their character in NWGG.

6. What are CCGG's and NWGG's financial positions?

Both cooperatives are in extremely sound financial shape. CCGG and NWGG have very strong working capital positions and remain profitable for their members.

7. Where are the efficiencies?

Our grain marketing staffs have spent considerable effort in evaluating each cooperative's grain sales, both in timing and in barge quantities. They have identified major advantages by combining the volume of our respective cooperatives. This is particularly important today with the many changes happening in the Portland and up-country markets. There were also savings identified in administrative and overhead expenses.

8. What happens to the Board and my vote for Directors?

The Unified Board will initially have 14 Directors. NWGG will contribute its 9 Directors and CCGG will contribute its 5 Directors. The new Board will be represented from three districts: Western, Central and Eastern. The Eastern district will initially be the CCGG trade area. Through normal Board retirements, each district will be downsized to 3 members no later than the year 2023. A member will be eligible for election as a Director for only the district that the majority of their grain is delivered. Members will be allowed to vote for all open Board of Director positions in all three districts. Directors may serve three consecutive 3-year terms.

9. What is the unified cooperative's plans for the CCGG trade area?

The office will be maintained in Dayton for grain marketing, account inquiries, receiving checks, etc. CCGG's locations will continue to be maintained in their high state of repair. The CCGG historic trade area will become one of three member districts within NWGG, each electing three board members to a nine member board.

10. Who will manage NWGG?

Chris Peha, current General Manager of NWGG, will continue to lead NWGG as General Manager. Mitch Payne, current General Manager of CCGG, will have a prominent role as COO (Chief Operations Officer) lending his expertise in operations, marketing, financials and special projects. Mitch will be based in the Dayton office.

11. How will the employees of NWGG and CCGG be affected?

All personnel from both cooperatives will be retained. Individual job assignments and responsibilities will be reviewed, evaluated and adjusted as deemed necessary.

12. How many members must vote for the merger in order for it to become effective?

If approved by the members of both cooperatives, on what date will the merger become effective?

Twenty-five percent (25%) of each cooperative's members must vote on the proposed Plan of Merger and two-thirds (2/3) of those voting must vote to adopt the Plan of Merger in order for it to become effective. If approved by each company's members, the merger will become effective on May 1, 2016.

13. Where and when can I get my questions answered?

An informational meeting will be held in both Dayton and Walla Walla.

Dayton - December 1st @ 8:30 am at the Best Western

Walla Walla - December 2nd @ 8:30am at the Walla Walla Fairgrounds

At these meetings you will have the opportunity to get any additional questions answered, as well as, learn more about each cooperative, their Board and management.

14. How and when will I be able to vote?

You will soon receive the Plan of Merger and Ballot with instructions to be mailed back. This is the actual document you will be asked to approve. A special meeting will be held for an independent third party to count any remaining ballots and announce the results of the vote on January 7, 2016.

15. How do I get more information?

Come to an informational meeting. Ask a Director. Inquire at the Dayton office with Mitch Payne or the Walla Walla office with Chris Peha. Opportunities will be made available for your questions to be asked and answered.