

Press Release 4/1/2015

Following months of study and preparations, The Board of Directors for Farmers Elevator Cooperative (FEC), United Farmers Cooperative (UFC) and Cooperative Elevator Association have approved a Merger/Unification to be taken to a vote of the Class A Members of the three companies.

“We are committed to creating a company that has long term financial strength, while protecting our member’s equity. We want to do this in a way that reinforces treating our customers and our employees with honesty and respect,” says Dave Van Holland, Board Chairman of Farmers Elevator Cooperative. “This is a unique opportunity to bring three companies together that have strong balance sheets and also have a strong history in their commitment to customer service”

Eleven membership informational meetings were held between the FEC, UFC and CEA companies to inform members of the proposed merged company the potential benefits. 57 employees and 6 outside consultants worked to put together the proposed structure, synergies and benefits to the members.

Benefits of Merger

- For long term financial strength
- For collaboration of information/technology
- To enhance Buying Power
- For greater Market Intelligence
- To capture Arbitrage opportunities
- To aid in employee retention and career development
- To utilize transportation alternatives
- Strategic placement of assets (Agronomy, Feed and Grain)

"This is an exciting time for these three co-ops, each having a rich history," says Kennis Peters Board President of UFC. "What a great opportunity for three financially strong companies to come together and position themselves with strong leadership and the capability to be viable for the next generation of our co-op membership."

Other considerations:

- 100% of allocated equity will be protected.
- Patronage revolvment will remain a key strategy to the new cooperative. Proposed operational efficiencies will allow an opportunity to retire patron equities, while balancing the need to invest in upgraded facilities and rolling stock.
- The new company will have local governance and local management. All three cooperatives will have current board members serving on the new board of directors.
- Customers will continue to be served by current employees and locations.
- As the oldest company Rock Valley’s charter will remain the charter of the new company and the home office will be in Rock Valley.
- All 3 administrative offices will remain open. As CEO, Rob Jacobs will maintain his office in Ochededan, as CFO Mark Finck will maintain his office in Rock Valley and as VP of Grain Jeff Christensen will maintain his office in George.
- All employee jobs are secure. The combined company will continue to strive to be a "Destination Employer" for all employees.

- Cost savings will be achieved through improved logistics, divisional synergies and inventory controls.
- This new cooperative will be a strong, diversified cooperative positioned to be a relevant long-term provider of markets, goods and services.

"The executive boards have worked over the past few months to determine how this new cooperative will look, and they have been great to work with," stated Brent Tewes, Board Chairmen of CEA. "In addition, our employees on the study committees have put in a lot of work to provide us with excellent information of how a unified company would look".

Ballots were mailed out on March 30th and must be received back by April 17th, member can return their ballots by mail in the postage paid, addressed envelope that was included in the mailing or they can drop them off at any FEC location. Ballots will be counted on Monday, April 20th by FEC's auditor.

Requirements for Merger to Pass:

- 50% of Class A members must vote
- 2/3 of the votes received must be in favor of the merger.

Questions may be directed to

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