



NEWS RELEASE
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Pendleton Grain Growers, Inc. and CHS, Inc. Enter into Discussions

Pendleton Grain Growers, Inc. and CHS, Inc. enter into discussions of an alliance to enhance cooperative strength and agricultural advancements for membership.

PENDLETON, Ore., (Feb. 3, 2014) — Pendleton Grain Growers, Inc. (PGG[®]), a member-owned agricultural marketing and supply cooperative, has signed a non-binding letter of intent to investigate the possibility of an alliance with CHS, Inc.

After much research and consideration, the PGG board of directors has determined a new path that fits the cooperatives immediate and long-term goals. An alliance with CHS, Inc. would protect and strengthen member equity, serve the members' best interests and provide additional opportunities for employees of PGG. The cooperative business model would continue to be supported by the availability of networks and services through CHS, Inc. as they are the nations leading farmer-owned cooperative and global energy, grains and foods company.

“The financial performance of PGG over the past decade has not allowed for the organization to stay current with the changing business environment or to maintain adequate reinvestment in assets, technology, business process and the development of our employees,” said Rick Jacobson, General Manager for Pendleton Grain Growers, Inc. “The board has determined that considering an alliance with CHS, Inc. could bring PGG numerous advantages and achieve our goals.”

As discussions continue between the two cooperatives, members will be provided with information and full details if an agreement is reached. The members of PGG will vote on the final decision of a future alliance with CHS, Inc. at a special membership meeting that will be held mid-year 2014.

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Pendleton Grain Growers, Inc. is a member-owned agricultural cooperative proudly rooted in its history of serving the communities of eastern Oregon and Washington. Since its founding over 80 years ago, PGG has continually worked to deliver our members and communities superior agricultural products and services. The network of services that PGG provides to its members and communities include: agricultural supply outlets, agronomy supplies and services, automotive service center, energy products, fleet transportation and grain handling and merchandising. Together, PGG will provide its members and the communities the resources to cultivate the future.

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