



August 17, 2017

Dear Member,

A decision was made after two joint board meetings with the Board of Directors of Farmers Win Cooperative, Fredericksburg, IA and Farmers Coop Elevator, Rushford, MN, to enter into a study to determine if a merger of the cooperatives would be beneficial to their member-owners.

Through this analysis process we hope to determine that consolidating the two cooperatives would create value in the following ways:

- Create economies of scale to improve operating efficiencies, which in turn enhances our competitive advantage in the marketplace
- Enhance, expand and extend product service options, market access and risk management tools for members
- Improve access to capital for future investments required to meet the needs of our customers
- Provide opportunities for growth, training, and advancement of employees

The merger study will commence in September with the goal of bringing the findings to the members through informational meetings in November.

#### About Farmers Win Cooperative

Headquartered in Fredericksburg Iowa, Farmers Win Coop is a 14 location cooperative servicing members and customers in northeast Iowa and southeast Minnesota. Services include grain, agronomy, feed, fuel and propane.

#### About Farmers Coop Elevator

Formed in 1903, Farmers Coop Elevator is a farmer-owned and farmer-focused cooperative headquartered in Rushford, MN with locations in Houston, MN Spring Grove, MN and Caledonia, MN. Farmers Coop Elevator offers member services in agronomy, feed, and grain.

"We are optimistic that the merger study shows that by combining the two companies it enhances the ability to gain buying power and increase efficiencies to benefit our member/customers. The chance to grow and continue to improve the feed, agronomy, grain and energy departments of the combined coop is an exciting opportunity!" said Brad Darling, Board President, Farmers Win Cooperative.

"This merger study makes a lot of sense for our memberships. We share many things with Farmers Win Cooperative already - members, geography, and transportation paths. What is more exciting is the shared dedication to service, employee development, and cooperative growth each of our boards prioritize. This merger has the potential to set our memberships up for long term, sustainable success." said Steve Oian, Board President, Farmers Coop Elevator.

Sincerely,

  
Brad Darling, FWC Board President

  
Steve Oian, FCE Board President