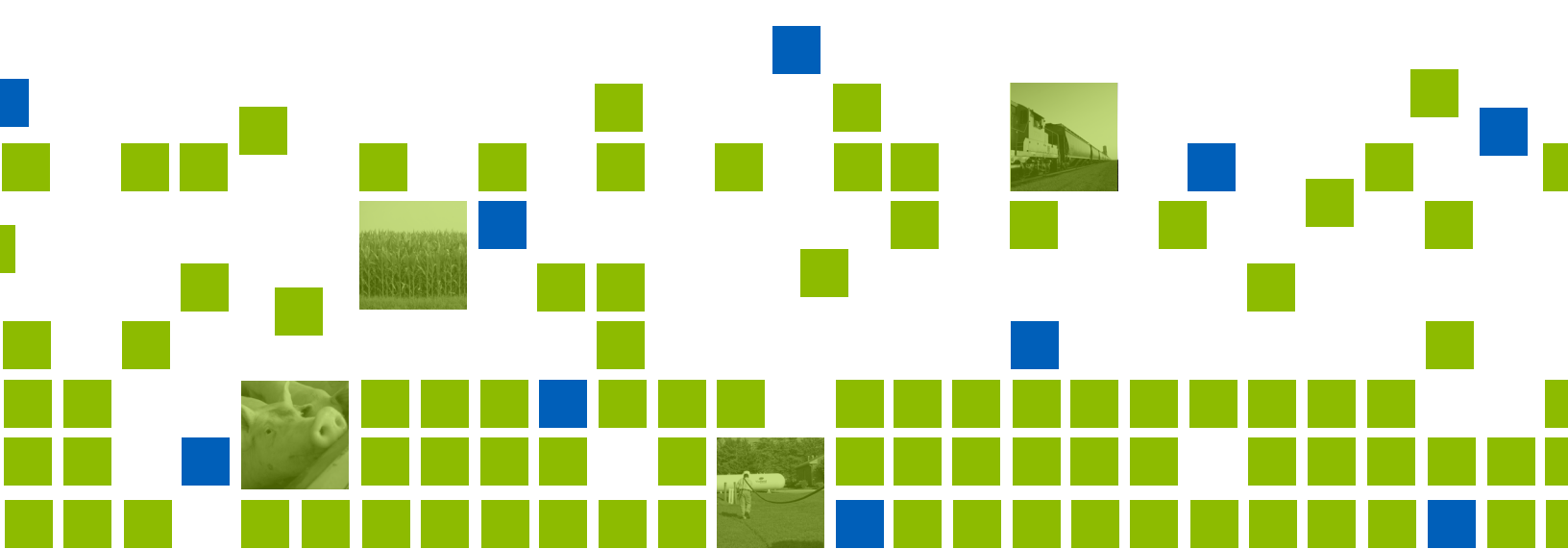




Viafield®

FINANCIALS • FISCAL YEAR 2016





TRANSFORMATION

Thank you very much for your business and support in 2016. We also want to thank our team of dedicated employees who worked very hard this year to bring meaningful changes to how we serve customers. Our success is dependent on our customers and we are working with purpose to transform our company to better deliver products, services, technology, and innovation today and in the future to ensure your success.

Fiscal year 2016 was a year of change with new leadership and a renewed strategic vision for the future. We are focused on the essentials of a successful cooperative: dedication to safety, a strong balance sheet, profitability, and adding value to our customers as your trusted advisor.

The year was likely the most challenging year in well over a decade for our cooperative and at our customer's gate. For fiscal year 2016, revenues increased \$7.4 million or 3% vs 2015. This increase in sales could not offset declining margins due to lower commodity prices. Net Savings for the year was \$779,752, down \$2.3 million vs 2015. Despite a difficult environment, Viafield plans to return a \$1,250,000 allocation in non-qualified patronage to members. We will also pass through 199 deductions of \$2,110,673 to our members.

To navigate the future, we continue to focus on our transformation and the essentials for success. The management team and board of directors spent time this year defining our strategy and developed a renewed Vision, Mission, and Core Values to guide Viafield into the future.. Simply put, our Vision is to focus on the customer and be your local trusted advisor in all aspects of the farming operation. By helping our customers succeed, Viafield will succeed. We also continue to take steps to maintain balance sheet strength and focus on profitability by managing expenses and staffing prudently. While these are challenging times, Viafield has entered them in strong financial position. This position allows us to continue investing in the future.

Viafield is making critical asset improvements in speed, space, and capabilities. This year we finished a \$2.5 million upgrade at our Manly grain facility adding a new dump pit, leg, and scale, providing market leading dumping speed. The board also approved a \$7 million project consisting of a new 10,000 ton dry fertilizer plant and seed treatment facility in Randalia Iowa. This facility will replace aging assets and serve the market with the latest in speed and blending technology. We continue to invest in our feed business adding a new high speed mixer in Elgin increasing the support our growing and profitable feed business. Viafield is making mindful decisions to divest underperforming and non-core assets. This year we announced the sale of our C-store in Clermont Iowa. It was a win-win for our employees and the community as the new owner will invest in the location for the future and provide the highest level of service. Our objective is to focus not only on the next few years, but also for the next generation of cooperative owners and customers.

As we continue our transformation in fiscal 2017, you can expect Viafield will not change the basic tenets of our long cooperative history: to be committed to being a financially sound company adding value to our owners today and for the future. Again, thank you for your support and patronage in 2016 and we look forward to serving you again in 2017 and beyond.



Chris Ludwig
Chief Executive Officer



Rick Matt
Board Chairman





OUR VISION

SERVE AS THE TRUSTED ADVISOR FOR THE CUSTOMER OF THE FUTURE THROUGH OUR TALENTED TEAM BY DELIVERING PRODUCTS, SERVICES, TECHNOLOGY AND INNOVATION ENSURING THEIR PROFITABILITY AND OURS.

OUR MISSION

COMMITTED TO BE THE FULL-SERVICE PROVIDER OF CHOICE, ENHANCING THE SUCCESS OF OUR CUSTOMERS, TEAM AND COMMUNITIES.



OUR VALUES

ETHICAL: WE EMBRACE HONESTY & INTEGRITY IN EVERYTHING WE DO

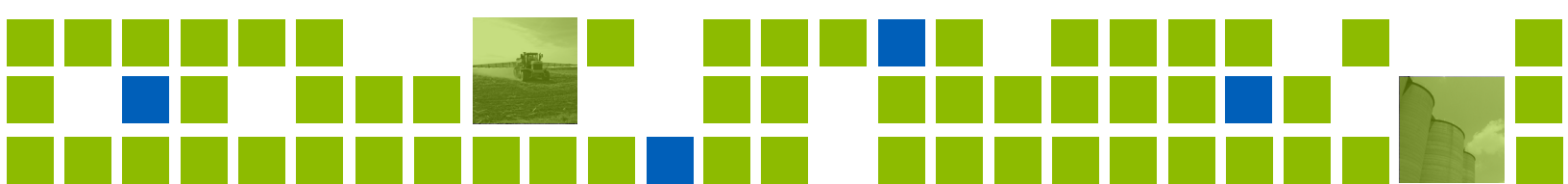
KNOWLEDGE: WE SEEK OUT NEW INFORMATION AND IDEAS TO DELIVER SOLUTIONS TO CUSTOMERS.

SERVICE-ORIENTED: WE ARE COMMITTED TO RESPONDING TO OTHERS NEEDS IN A TIMELY AND ACCURATE MANNER.

TEAMWORK: WE ARE RESPECTFUL AND SUPPORTIVE WHILE COMMUNICATING OPENLY AND ENGAGING OTHERS.

LEADERSHIP: WE ARE POSITIVE AND PROFESSIONAL WHILE ACTING STRATEGICALLY AND EMBRACING CHANGE.

RESULTS: WE ARE ACCOUNTABLE AND EFFICIENTLY EXECUTE TO BUILD SUSTAINABLE GROWTH AND PROFITABILITY.



STATEMENT OF SAVINGS

STATEMENT OF SAVINGS

	2016	2015
SALES	\$252,689,651	\$245,254,138
COST OF GOODS SOLD	238,440,825	229,629,324
GROSS SAVINGS ON SALES	14,248,826	15,624,814
OTHER REVENUE	15,875,102	16,988,237
TOTAL GROSS REVENUE	30,123,928	32,613,051
OPERATING EXPENSES, INCLUDING INTEREST	29,256,442	30,081,734
SAVINGS BEFORE INCOME TAXES	867,486	2,531,317
INCOME TAXES		
CURRENT	28,750	219,302
DEFERRED	58,984	(796,210)
NET SAVINGS	\$779,752	\$3,108,225

DISTRIBUTION OF NET SAVINGS

PATRONAGE DIVIDENDS		
DEFERRED - NON-QUALIFIED	1,250,000	1,500,000
RETAINED SAVINGS	(470,248)	1,608,225
NET SAVINGS	\$779,752	\$3,108,225

PATRONAGE ALLOCATION

SAVINGS RETAINED	\$(470,248)	\$1,608,225
DEFERRED - NON-QUALIFIED	1,250,000	1,500,000
PATRONAGE RATES		
GRAIN	1.24 CENTS/BU	1.1 CENTS/BU
MERCHANDISE & SERVICES	5.72%	6.32%
AGRONOMY	1.17%	1.54%
PETROLEUM	2.83 CENTS/GAL	3.19 CENTS/GAL
FEED	1.22%	1.19%

BALANCE SHEET

CURRENT ASSETS

	2016	2015
CASH	\$3,880,915	\$150,314
RECEIVABLES		
NOTES & CONTRACTS	95,232	79,616
TRADE-NET OF ALLOWANCE FOR DOUBTFUL ACCTS	6,339,049	7,200,433
GRAIN IN TRANSIT	868,750	1,133,112
OTHER	397,840	312,156
MARKETABLE EQUITY SECURITIES	1,571,136	1,175,142
INVENTORIES		
GRAIN	3,679,026	6,332,194
MERCHANDISE	10,040,738	16,892,709
PETROLEUM	714,858	763,075
PREPAID COMMODITIES	1,080,115	1,436,510
PREPAID EXPENSES	59,715	26,985
DEFERRED INCOME TAXES	24,169	99,831
TOTAL CURRENT ASSETS	28,751,543	35,602,077
WORKING CAPITAL	7,813,334	16,522,206
AVAILABLE TERM REVOLVER	10,000,000	2,605,494
ADJUSTED WORKING CAPITAL	\$17,813,337	\$19,127,700

PROPERTY, PLANT & EQUIPMENT

LAND	\$1,564,033	\$1,339,676
BUILDINGS AND EQUIPMENT	85,786,326	75,639,778
TOTAL LAND, BUILDINGS AND EQUIPMENT	87,350,359	76,979,454
ACCUMULATED DEPRECIATION	(41,853,903)	(36,893,583)
UNDEPRECIATED COST	45,496,456	40,085,871
CONSTRUCTION IN PROCESS	522,487	6,809,153
NET PROPERTY, PLANT AND EQUIPMENT	46,018,943	46,895,024

OTHER ASSETS

LONG-TERM NOTES & CONTRACTS	\$37,975	\$279,241
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INVESTMENTS

EQUITY IN OTHER ORGANIZATIONS	\$20,432,830	\$20,237,847
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TOTAL ASSETS

\$95,241,291	\$103,144,189
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BALANCE SHEET

CURRENT LIABILITIES

	2016	2015
CHECKS WRITTEN IN EXCESS OF BANK BALANCE	\$1,610,339	\$1,127,719
CURRENT MATURITIES OF LONG-TERM DEBT	200,000	214,000
CURRENT MATURITIES OF CAPITAL LEASE	1,208,745	1,156,843
NOTES PAYABLE-OPERATING	0	0
DEMAND NOTES	2,411,877	2,516,440
PAYABLES		
TRADE	5,076,641	3,012,216
CUSTOMER CREDIT BALANCES AND PREPAID SALES	1,373,811	1,565,139
UNPAID GRAIN	4,398,622	6,288,638
MARGIN ACCOUNT	2,546,088	550,640
ACCRUED EXPENSES		
INTEREST	85,336	105,177
PAYROLL	1,086,810	1,469,010
PROPERTY TAXES	896,702	1,025,001
INCOME TAXES	0	0
OTHER	43,238	49,048
PATRONAGE DIVIDENDS PAYABLE	0	0
TOTAL CURRENT LIABILITIES	\$20,938,209	\$19,079,871

LONG-TERM LIABILITIES - NET OF CURRENT MATURITIES

NOTES PAYABLE	\$1,708,428	\$10,901,278
CAPITAL LEASE PAYABLE	10,856,539	12,065,284
TOTAL LONG-TERM LIABILITIES	12,564,967	22,966,562
ACCRUED PENSION COSTS	1,131,319	3,248,238
DEFERRED INCOME TAXES	603,399	784,969

MEMBER'S EQUITY - CAPITAL STOCK

CLASS A & B	504,000	508,800
SUBSCRIPTIONS	47,485	47,782
LOCAL PREFERRED	6,225,111	6,407,235
REGIONAL PREFERRED	8,484,233	8,585,988
ALLOCATED PATRONAGE DIVIDENDS	1,250,000	1,500,000
NON-QUALIFIED DEFERRED EQUITY	5,159,591	3,655,402
PAID IN CAPITAL	191,688	191,688
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	(6,346,782)	(8,794,853)
EQUITY FROM ACQUISITION	18,254,816	18,254,816
RETAINED EARNINGS	26,233,255	26,707,691
TOTAL MEMBER'S EQUITY	\$60,003,397	\$57,064,549

TOTAL LIABILITIES AND MEMBER'S EQUITY	\$95,241,291	\$103,144,189
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