

2017

ANNUAL REPORT



FARMERS COOPERATIVE

BOARD OF DIRECTORS

Mike Nohavec..... Chairman

Galen Kuska Vice Chairman

Ron Holst..... Secretary

Michael Busboom Director

Darren Eberspacher Director

Alan Dorn..... Director

Ryan Holtmeier Director

Tom Hueske..... Director

Max Larsen..... Director

Darren Meinke Director

Neal Onnen Director

Mike Pracheil Director

Dan Tiemann Director

Dallas Dobrovoly Associate Director

MANAGEMENT

Ron Velder..... CEO



2017 HIGHLIGHTS

- Beattie Farmers Union Cooperative Association joined Farmers Cooperative on **September 1, 2016**.
- Frankfort Grain Shuttle Grand Opening - **June 13, 2017**.
- Record Year of Grain Bushels Shipped - **109 Million Bushels**.



ON AVERAGE, WE LOADED
54
RAILCARS PER DAY
FOR 365 DAYS.

- Over **1.2 Million** Custom Applied Acres

2017 MAJOR ADDITIONS

- Frankfort Shuttle - **4.2 Million Bushels** of Storage
- Hanover - **682 Thousand Bushel** Tank & Additional Leg
- Jansen - **682 Thousand Bushel** Tank & Additional Leg
- Marietta - **500 Thousand Bushel** Tank & Chemical Building
- Raymond - **500 Thousand Bushel** Tank

LOCAL COMMUNITY SUPPORT

- 14 - Adjacent Counties = **63 Communities**
- **600+** Employees
- **Internship & Scholarship** Programs
- Investing in Ag **Youth** Organizations

FARMERS COOPERATIVE

CONSOLIDATED STATEMENTS OF SAVINGS

Years Ended August 31, 2017 and 2016

	2017	2016
Sales	\$791,465,451	\$723,670,170
Cost of Goods Sold	726,916,637	664,721,955
Gross Savings on Sales	64,548,814	58,948,215
Other Operating Revenue	32,100,779	28,966,218
Total Gross Revenue	96,649,593	87,914,433
Operating Expenses	86,861,063	78,392,560
Operating Savings	9,788,530	9,521,873
Patronage Dividend Income	5,045,143	6,866,173
Savings Before Income Taxes	14,833,673	16,388,046
Income Tax Expense	488,312	608,961
Net Savings	\$14,345,361	\$15,779,085

DISTRIBUTION OF NET SAVINGS

Patronage Dividends		
Cash	\$2,447,133	\$2,380,469
Deferred	0	2,380,468
Deferred Non-Qualified	2,447,132	0
	4,894,265	4,760,937
Retained Savings	9,451,096	11,018,148
Net Savings	\$14,345,361	\$15,779,085

FARMERS COOPERATIVE

Years Ended August 31, 2017 and 2016

SCHEDULES OF CONSOLIDATED OTHER OPERATING REVENUES

	2017	2016
Storage & Handling	\$9,960,560	\$9,945,614
Fertilizer Application & Services	9,302,875	8,415,107
Trucking Income	6,793,124	6,028,642
Service Income	2,646,529	2,382,390
Drying & Other Grain Services	2,213,557	918,337
Finance Charges & Interest	603,200	548,813
Other	580,934	727,315
Total Other Operating Revenues	\$32,100,779	\$28,966,218

SCHEDULES OF CONSOLIDATED OPERATING EXPENSES

	2017	2016
Payroll	\$38,995,121	\$35,369,921
Depreciation & Amortization	18,544,888	17,084,521
Repairs	6,369,654	5,640,750
Trucking & Application	6,218,004	5,336,913
Utilities	4,460,597	4,039,928
Supplies	2,877,372	3,132,457
Professional & Marketing Services	2,579,489	2,281,136
Property Taxes	2,354,689	2,010,582
Interest & Bank Charges	2,171,457	1,073,216
Insurance	1,896,833	1,716,102
Other	392,959	707,034
Total Operating Expenses	\$86,861,063	\$78,392,560

FARMERS COOPERATIVE

CONSOLIDATED BALANCE SHEETS

August 31, 2017 and 2016

ASSETS	2017	2016
Current Assets	\$139,935,057	\$113,916,816
Property, Plant & Equipment	144,627,403	130,895,912
Other Assets	2,454,875	2,814,125
Equity In Other Organizations	50,234,917	39,006,732
Total Assets	\$337,252,252	\$286,633,585

LIABILITIES & MEMBERS' EQUITY	2017	2016
Current Liabilities	\$96,663,103	\$70,613,218
Long Term Liabilities	6,000,000	1,680,000
Deferred Income Taxes	2,650,700	2,948,000
Members' Equity	231,938,449	211,392,367
Total Liabilities & Members' Equity	\$337,252,252	\$286,633,585

WORKING CAPITAL

\$43,271,954

\$43,303,598



2017
AUGUST 31

CASH PATRONAGE

\$2,447,000

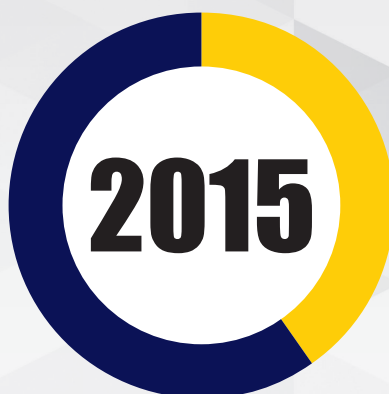
EQUITY REDEMPTIONS

\$3,447,000



2016

\$2,380,000 **\$2,893,000**



2015

\$4,573,000 **\$3,074,000**



2014

\$3,556,000 **\$2,949,000**



2013

\$4,363,000 **\$1,445,000**

FARMERS COOPERATIVE

PATRONAGE RATES

August 31, 2017

Grain	2.41 Cents Per Bushel Settle
Fertilizer & Chemicals	1.69% of Purchase Price
Propane, Gas & Fuel	1.03% of Purchase Price
Feed	1.50% of Purchase Price
Tires	4.45% of Purchase Price
Oil & Grease	1.51% of Purchase Price
Seed	0.77% of Purchase Price



\$31.1 M

Cash patronage
and equity to
patrons over the
last five years.

\$123.8M

Capital
investments in
facilities and
equipment over
the last five years.

\$9.2M

Property taxes paid
to local county
treasures over the
last five years.

FARMERS COOPERATIVE

LOCAL COMMUNITY INVESTMENTS