



2017 Annual Meeting of Northwest Grain Growers, Inc.

November 20, 2017

The 19th annual meeting of Northwest Grain Growers was held on Monday, November 20th, 2017 at the Community Center at the Walla Walla Fairgrounds with approximately 450 in attendance.

Following dinner, President Eric Cochran called the business meeting to order at 8pm.

A check for \$500 was presented to the Dayton FFA chapter for their help in serving dinner.

Board members present at the annual meeting were introduced by President Eric Cochran: Rhonda Barker, Jason Beechinor, Scott Ford, Dan McKinley, Skip Mead, Nathan Rea & Byron Seney. Absent: Mike Hand, Jesse McCaw & Brad Tompkins.

Eric announced that Skip Mead has reached his term limit on the Board of Directors. Eric thanked Skip for his many years of service and presented him with a gold watch.

Following motion duly made and seconded, the minutes of the 2016 annual meeting were approved as written.

The Nominating Committee of Todd Kimball & Casey Perkins (Western district), Pat McConnell & Mark Sherry (Central district) and David Carlton & Mike Talbott (Eastern district) met on September 27, 2017 and submitted the following names to stand for election in their district. The committee nominated Greg Ferrel, Mike Hand, Ben Maney & Nathan Rea for the Western district, Scott Ford & Lori Stonecipher for the Central district, and Rory Donohue & Dan McKinley for the Eastern district. President Cochran announced ballots were sent out in November and asked if anyone present still needed a ballot. Eric recognized members of the accounting firm of CliftonLarsonAllen as the ballot counting committee and that they would gather additional ballots delivered in person at the meeting and retire to finish tabulating the vote count.

Auditor David Elmenhurst of CliftonLarsonAllen, LLP reported to the membership assembled that the company is in excellent financial condition, and that his firm had issued an unqualified opinion for the fiscal year ending April 30, 2017. He also stated that no errors were found in the company's Daily Position Record, or at any time were grain position limits exceeded without proper authority. The accounting firm commended the NWGG management team for their help and cooperation during the audit.

Eric Cochran gave the President's report. He reported the profit for the year ending April 30, 2017 was \$5 million, before income taxes, on total sales of \$228 million. Of NWGG's total profit of \$5 million, \$525,000 was nonmember business with an additional \$225,000 paid in income tax. The balance of \$4,200,000 in profit was allocated 60% in cash and the balance in patronage certificates. The cash portion of \$2.5 million was paid in July. This past March, NWGG paid 2011 and ½ of 2012 year's patronage totaling \$3,700,000, which leaves just 5 1/2 years of unpaid patron's equity. The Robert Abbey memorial scholarship is given by NWGG in memory of Bob Abbey. Currently NWGG awards five \$1,000 scholarships renewable for four years. Blue

Mountain Community Foundation now manages the scholarships for NWGG. The recipients of this year's scholarships were: Kathryn Ankrom, Sydney Carrara, Tristan Case, Jared Farley & Brooke Smiley.

Your board of directors approved donating \$100,000 of our non-member profits to local Walla Walla Valley charities again this year with the priority of helping women and children in our draw area, the local junior livestock fair sales and Walla Walla community College. The past nine years donations by NWGG total \$865,000 to these charitable causes.

Eric finished up by talking about the Board's announcement of a proposed Plan of Merger with Whitgro. He noted that the Board spends a considerable amount of time each year at our Long-Range Planning Session discussing the changes happening to the industry, to the companies around us, our partners and changes within our own organization. It had been through a long series of meetings and discussions that the Board decided a merger with Whitgro is in the best interest of all the members and that the Board does not arrive at these decisions lightly. He announced that NWGG will be having a merger information meeting on December 7, 2017 at the Walla Walla fairgrounds starting at 8:30am. The Board of Directors unanimously recommends that you vote "Yes" to approve the merger. Eric thanked his fellow directors for their support, the employees for their hard work and the members for their loyalty to the cooperative.

General Manager Chris Peha gave the managers report. The winner of the Guess the Price of Wheat contest was announced. Two members guessed the exact price of Portland soft white wheat on Oct. 16, 2017. Mike Talbott and Carol Gordon both took home \$150 for their efforts.

Chris gave an update on several challenges that NWGG faced last year: weaving together the merger between NWGG and CCGG, low falling numbers in our soft white wheat and the four-month river closure. Chris finished up by talking about the reasoning behind the proposed Plan of Merger with Whitgro and the changing cooperative industry in the Pacific Northwest. He encouraged members to come to the merger information meeting on the 7th and make an informed decision when casting member ballots later next month.

During the meeting, three (3) \$50 gift certificates, three (3) \$100 gift certificates, and one \$500 gift certificate to the Northwest Farm Supply store were given away. The \$500 winner was Margaret Bryans.

The meeting concluded with the announcement of the board of director election results. *Elected to three-year terms were Mike Hand & Nathan Rea from the Western district, Scott Ford from the Central district and Dan McKinley from the Eastern district.*

There being no further business, the meeting was adjourned by President Cochran at 9 PM.

After the meeting, the board met for reorganization and elected the following officers to one-year terms: President – Scott Ford, 1st Vice President – Rhonda Barker, 2nd Vice President – Nathan Rea & Secretary – Dan McKinley. Chris Peha was appointed Treasurer by President Ford.

Respectfully submitted,

Nathan Rea,
Secretary

MAIN OFFICE: P.O. BOX 310 • Walla Walla, WA 99362-0210 • (509) 525-6510 • Fax (509) 529-6050
BRANCH OFFICE: P.O. Box 215 • Waitsburg, WA 99361-0215 • (509) 337-6633 • Fax (509) 337-6674