



***“Large Enough to Serve, Small Enough to Care”***

March 18, 2015

Dear Class A Member,

Farmer's Elevator Cooperative, Rock Valley, IA, along with United Farmer's Cooperative, George, IA, and Cooperative Elevator Association, Ocheyedan, IA announced in December, 2014 their intent to study the possibility of a unification of these three cooperatives. After careful consideration, the boards have agreed to move this process to a membership vote.

“We are committed to creating a company that has long term financial strength, while protecting our member's equity. We want to do this in a way that reinforces treating our customers and our employees with honesty and respect,” says Dave Van Holland, Board Chairman of Farmer's Elevator Cooperative. “This is a unique opportunity to bring three companies together that have strong balance sheets and also have a strong history in their commitment to customer service.”

The process included five employee committees, comprised of employees from all three cooperatives, along with industry professionals, resulting in extensive presentations to the full boards of all three cooperatives in early March. A governance committee, made up of the officers from all three boards and the General Managers also invested in an extensive study to identify the potential benefits, as well as potential risks of unification of FEC, CEA, and UFC. This professional study demonstrated that opportunities exist for enhanced customer service and financial performance through improved operational efficiencies, employee specialization, and cost savings, while maintaining a stronger balance sheet. These companies are going to need to improve facilities; by bringing these companies together we can consolidate those capital needs and enhance our service to our member-owners. "This is an exciting time for these three co-ops, each having a rich history," says Kennis Peters Board President of UFC. "What a great opportunity for three financially strong companies to come together and position themselves with strong leadership and the capability to be viable for the next generation of our co-op membership."

Over the next two weeks, membership meetings will be held to share the proposed unification, answer questions, and allow you the opportunity to discuss this exciting opportunity with your board and managers. These meetings will provide additional information recommended by the boards on the value of the unification, for you as our member-owner.

The meeting schedule is as follows:

Date	Time	Location	Meeting Place	Cooperative
Monday, March 23	6:00 p.m.	Larchwood-Inwood	West Lyon High School	Farmers Elevator Cooperative
Tuesday, March 24	12:00 p.m.	Rushmore	Senior Citizen Center	United Farmers Coop
Tuesday March 24	6:00 p.m.	George	Community Center	United Farmers Coop
Wednesday March 25	12:00 p.m.	Ocheyedan	Town Hall	Cooperative Elevator Association
Wednesday March 25	6:00 p.m.	Sibley	High School	Cooperative Elevator Association
Thursday March 26	6:00 p.m.	Hawarden	Community Center	Farmers Elevator Cooperative
Monday March 30	12:00 p.m.	Hartley	Community Center	Cooperative Elevator Association
Monday March 30	6:00 p.m.	Rock Valley	Faith Reformed Church	Farmers Elevator Cooperative
Tuesday March 31	12:00 p.m.	Lake Park	Community Center	Cooperative Elevator Association
Tuesday March 31	6:00 p.m.	Alvord-Doon	Doon Old High School	Farmers Elevator Cooperative
Wednesday April 1	6:00 p.m.	Rock Rapids	Forrester Center	Farmers Elevator Cooperative

The following pages provide you with frequently asked questions, but cannot provide you with all the details we are excited to share at the membership meetings. Therefore, we encourage you to attend one of the informational meetings. Board representatives from all three cooperative will be at these meetings, as will the General Managers. You are welcome to attend any of the locations, even if it is not your normal business location. As your board members, we are here to serve you, the owners of the cooperative. "The executive boards have worked over the past few months to determine how this new cooperative will look, and they have been great to work with;" stated Brent Tewes, Board Chairmen of CEA. "In addition, our employees on the study committees have put in a lot of work to provide us with excellent information of how a unified company would look, and I hope people attend the membership meetings to hear about the unification".

This new cooperative will be a relevant long term provider of good and services for farmers in our trade territory. We believe a unified cooperative will operate more efficiently than each cooperative will alone, and an opportunity exists to be more aggressive in retiring patron's equities. This is an exciting time for these three cooperatives as they look at this opportunity to create additional value for membership and enhanced customer service for generations to come. In the near future all Class A Members will receive a ballot by mail. You will have the option to mail your ballot or drop it at one of your cooperative offices to cast your vote, and the results of the vote will be announced in mid-April.

*Respectfully Signed,*

President



General Manager

