

Open Letter to Our Membership:

We recently mailed out our Qualified patronage for the fiscal year ending January 2020. We thank all of you who have done business with us this past year. Our results locally have rebounded nicely over the past few years and combined with a renewed focus on equity by the Board of Directors, this enabled us to return \$1 million as cash.

Locally we made \$7.7 million on sales just under \$500 million and received \$2.8 in patronage from Cooperatives that FVC is a member of for a net income before taxes of \$10.5 million.

We will soon be issuing \$1 million of Non-Qualified equity for 2020 and redeeming a like amount of Non-Qualified that was issued in 2009. This will clean up the Equity issued for that fiscal year. We also will be redeeming \$1 million in Qualified Equity based on our members year of birth later this summer and remain committed to addressing estate requests quarterly. In total, Frenchman Valley is returning \$3.2 million in cash to our Members this year putting more cash into our Members hands this year than in any past year the Cooperative has existed.

The Frenchman Valley Board spent considerable time in 2019 developing a long-term Equity Plan and it is working, with \$5.5 million being returned as cash. We have also invested \$16 million in Capital Assets last year and are on track to equal that this year. Culbertson has seen the Fertilizer Tanks installed and has added 2.3 million bushels of storage while revamping the rail loadout. By wheat harvest, Chappell will have 2 million bushels of storage added, rebuilding and adding speed to the west dump and bins there. Pine Bluff has added fertilizer storage and by corn harvest, Kimball will see the completion of another 2 million bushels of storage and receiving capacity. This in conjunction with many smaller projects will continue to bring greater value to our Members and customers. The Staff, Board and I would like to express our thanks to all of you who chose to support the Coop.

M John Bender
General Manager