



# MERGER FACTS

# WHAT THE STUDY FOUND



The recent study conducted on behalf of the joint farmer boards of Alceco and First Cooperative Association identified many advantages to a merger of our organizations.

All the points below support a merger. However, the bottom line is that the boards unanimously agree that, by joining together, the new organization will be the leading cooperative in northwest Iowa with local management and local board representation. This represents an advantage for our members, employees and the communities we serve.

## BELOW ARE SOME KEY CONSIDERATIONS BY AREA:

### GRAIN

1. Increased diversification of grain market opportunities and improved marketplace relevance including:
  - Enhanced rail loading access and capabilities.
  - Greater geographic reach to ethanol markets.
  - Feed demands internal and external.
2. Offering new, enhanced marketing opportunities to meet growers' needs.
3. Opportunities for increased overall revenue from facility and inventory management and market leverage gained resulting in arbitrage benefits for both corn and soybeans.

### AGRONOMY

1. Better utilization of hub fertilizer plants and tendering of application equipment.
2. Technology leadership because of expanded data analytics capabilities through InSiteCDM, one of the industry's most advanced and utilized tools.
3. Enhanced business size allows for faster access to products and services, and increased services from manufacturers and distribution.

### ENERGY

1. Potential to grow LP service offerings throughout the marketplace.
2. Fuel ordering efficiencies of combined organization.
3. Deeper employee pool to provide needed backup for everyone from department heads to drivers.

### FEED

1. The combined organization will be well positioned geographically for continued growth.
2. As the second largest feed company in Iowa, the new organization will reduce its need to outsource any feed manufacturing.
3. Increased ability to meet the needs of cattle producers to a wider geography.

### OPERATIONS

1. Better utilization of our employee teams to best serve our customers.
2. Agronomy logistics improvement will significantly enhance capabilities of servicing customers in the ever fast-paced market.
3. Improved rail access enabling greater market access for all customers.

### ADMINISTRATION

1. Integrations of best internal systems.
2. Enhanced cross training to ensure backup support.

**Employees:** Keeping our dedicated employees is a critical component of merger. A merger would drive enhanced benefits for employees, expand opportunities for employee growth and help recruit and retain the best and brightest team right here in northwest Iowa.

**Our boards of directors and management are available to answer any additional questions.**