

UNITED
COOPERATIVE™
RELY ON US

88th Annual Report

2023





Letter from the CEO

With 2023 completed, I want to reflect on the tremendous momentum we have experienced this year. Our employees and facilities functioned at a very high level, creating growth, and timely service. I want to thank the employees for their commitment and dedication and our member/owners for your loyalty and trust. Each of our core divisions saw unit increases and captured efficiencies to provide a good return on investment. The United Cooperative board has approved many building projects this year to meet the demands of our customers. The communities where major construction projects were completed and are in construction phases include Waupun, Mayville, Ripon, Wilton, Center Valley, Boscobel, South Beaver Dam, Deerfield, and Coleman.

We were blessed with another great crop year even though moisture levels were a great concern for most of the growing season. Our planting season seems to get more condensed each year. The facility upgrades we continue to make really help us to move a lot of products in a short period. On another positive note, we were able to find the help and the logistics to get this accomplished. Thank you to our seasonal employees and our suppliers for this achievement. The harvest season was like last years, with great weather and harvesting conditions. Overall, we enjoyed favorable yields and excellent fall tillage conditions. We also had a considerable amount of fall fertilizer application this year. This should take some of the pressure off our spring planting season. We received record volumes of corn and near record volumes of soybeans last harvest season. We continue to add grain storage capacity to meet the demands of our member owners. Grain production continues to increase in Wisconsin, and we will always evaluate our infrastructure to ensure that we can provide the best possible service available. To our grain customers, thank you for your confidence in United Cooperative this past harvest season.

December 31st marked the end of our fiscal year and the privilege of being in business for 88 years and United Cooperative had another strong year. Planning, execution, product availability, customer service, and loyal members are the foundation for United Cooperatives' success.

Our vision for the future has to parallel the agricultural changes of our farmers to create a positive customer experience where our farmers can "Rely On Us". This is evident today based on the economic environment, supply chain issues, inflation, and worldwide markets. To maintain this type of experience, please discuss your needs with your trusted advisors at United Cooperative. Decision-making, forecasting, planning, and execution all have a direct impact on profitability at the farm and the cooperative.

United Cooperative takes pride in giving back to our local communities and helps advance many non-profit organization's initiatives throughout the year. The cooperative's approach is to target community giving to three areas that support members the most: rural health and safety; agricultural youth; and food pantries. This year our total giving to initiatives in these three areas reached over \$100,000. In 2023, 46 high school and college students were awarded a \$1,000 United Cooperative scholarship, bringing the total number of students supported through this program to over 550 since the program's inception in 2008.

Revenues for 2023- were \$1.36 billion. United Cooperative's core businesses of agronomy, grain, feed, and energy generated \$75.5 million in profits. The investments United Cooperative has made in ethanol production contributed \$37.2 million to our net income in 2023. Patronage from regional cooperatives was \$11.3 million dollars. All combined, United Cooperative had a total net margin before income taxes in 2023 of \$124 million dollars.

With those numbers, United Cooperative is returning \$67.8 million in total patronage to members. Fifty percent of this patronage, or \$33.9 million, will be distributed in cash to our patron members in May, while the other 50 percent, or \$33.9 million will be retained in equity credits. In addition, we plan to again revolve stock in October, retire stock at age 77 and pay all estates as requested.

We strive to uphold United Cooperative's promise to build on all available resources to create positive customer experiences while growing profits for members and the cooperative. We want members to "Rely on Us" for high-quality reliable products and exceptional service, all backed by up-to-date, efficient equipment and facilities.

Thank you again for your patronage in 2023 and I look forward to an exciting and prosperous year in 2024.

Cooperatively yours,

A handwritten signature in black ink that reads "David Cramer". The signature is fluid and cursive, written in a professional style.

David Cramer
United Cooperative President and Chief Executive Officer

2023 Officers & Directors

Front row, left to right:

ROD LEITERMAN, DIRECTOR
Denmark

HOWARD BOHL, CHAIRMAN
Beaver Dam

PETER MLSNA, DIRECTOR
Hillsboro

JORDAN CRAVE, DIRECTOR
Waterloo



Back row, left to right:

DAVID CRAMER, TREASURER
Beaver Dam

GARY NOLDEN, VICE CHAIRMAN
Prairie du Sac

DUANE HINCHLEY, DIRECTOR
Cambridge

BRAD KRUEGER, DIRECTOR
Shawano

GREG TAUCHEN, DIRECTOR
Bonduel

ROBIN CRAKER, SECRETARY
Reedsburg

Additional Information

Date of incorporation..... Jan. 27, 1936
Fiscal year end.....Dec. 31
Annual meeting date.....Set by board of directors

Personnel

David Cramer
President and CEO

In 2023, your cooperative...

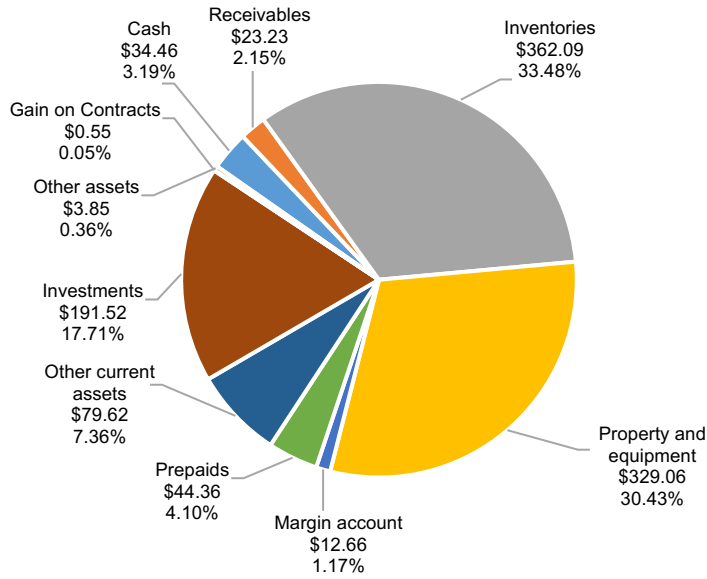
- Returned over \$63.5 million in total patronage to members: Fifty percent of this patronage, or \$31.7 million, was distributed in cash to patron member owners; 50% or \$ 31.7 million, was retained in equity credits
- Paid \$14 million in stock revolvment
- Waupun - New feed mill construction facility will hold about 8,500 tons of feed ingredients along with 40,000 sq ft of warehouse storage and a new 2.8-million-bushel grain terminal. Operational in 2024.
- Center Valley – A complete Agronomy facility and 3.7-million-bushel grain storage facility with rail to load 100-car unit trains. Operational in 2024.
- Wilton – expansion of feed bin capacity. Complete.
- Mayville – construction of a new agronomy facility with office. Operational fall of 2024.
- Boscobel – 1-million-bushel Load out storage and tracks to load 110-car unit trains. Complete.
- Coleman – Agronomy warehouse addition and liquid plant expansion. Operational fall of 2024.
- Ripon South – Grain expansion adding 3 million bushels of storage with a new 7,000 bu/hr dryer and 3 new receiving pits, plus upgraded rail loading. Operational 2024
- Deerfield - Dry fertilizer plant expansion. Complete.
- South Beaver Dam – Expansion of the liquid fertilizer plant. Complete.
- Awarded \$46,000 in scholarships to high school seniors and continuing education students
- Provided over \$100,000 to local food pantries, rural health and safety groups, local FFA/4-H chapters, and other agriculture-related groups
- Ranked 28th on USDA’s Top 100 list of agricultural cooperatives in the United States
- Ranked 22nd on the 2023 CropLife 100 agronomy companies nationally

Balance Sheet

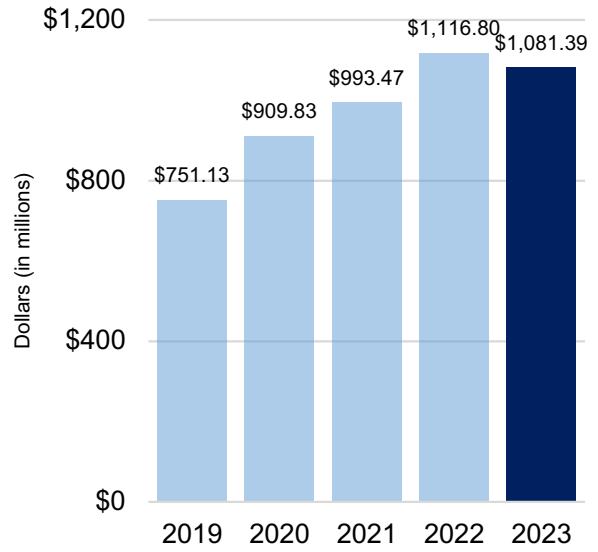
	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and cash equivalents	\$34,457,494	\$57,116,639
Receivables, net	23,226,525	20,002,424
Inventories	362,089,203	507,859,226
Margin account	12,664,707	18,967,977
Unrealized gain on forward contracts	554,492	-
Prepaid expenses	44,357,945	39,404,594
Other current assets	<u>79,618,427</u>	<u>30,596,456</u>
Total current assets	556,968,793	673,947,316
Investments and other assets		
Investments	191,516,485	202,376,205
Other assets	<u>3,849,451</u>	<u>5,102,716</u>
Total investments and other assets	195,365,936	207,478,921
Property and equipment	599,799,935	486,502,224
Less accumulated depreciation	<u>(270,740,395)</u>	<u>(251,126,708)</u>
Net property and equipment	329,059,540	235,375,516
Total assets	\$1,081,394,269	\$1,116,801,753
Current liabilities		
Current maturities of long-term debt	\$13,630,000	\$13,787,000
Accounts payable	42,977,406	83,488,198
Grain payables	62,588,305	96,386,973
Unrealized loss on forward contracts	-	345,036
Accrued expenses	15,033,166	15,577,053
Taxes payable	2,141,007	2,321,160
Patronage refunds payable in cash	33,900,000	31,788,000
Patron prepayments/credit balances	131,937,023	159,621,217
Income taxes payable	2,404,452	-
Other	<u>4,595,529</u>	<u>4,481,524</u>
Total current liabilities	309,206,888	407,796,161
Long-term liabilities		
Long-term debt, less current maturities above	60,950,000	74,580,000
Remediation payable	318,000	396,000
Deferred income taxes	<u>274,000</u>	<u>779,000</u>
Total long-term liabilities	61,542,000	75,755,000
Total liabilities	\$370,748,888	\$483,551,161
Patron equities		
Preferred equities	219,940,031	196,719,299
Equity credits	141,826,917	130,651,471
Patronage refunds payable in equity	33,900,000	31,788,000
General reserve	<u>314,978,433</u>	<u>274,091,822</u>
Total patron equities	710,645,381	633,250,592
Total liabilities and equities	\$1,081,394,269	\$1,116,801,753

Assets

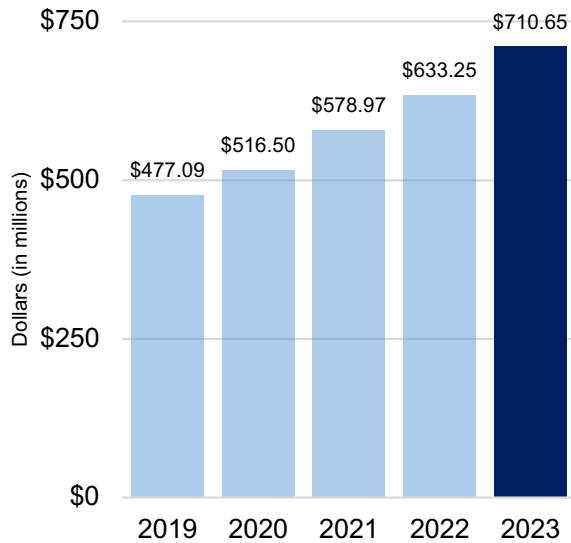
\$1,081,394,269
(in millions and percentage)



Total Assets

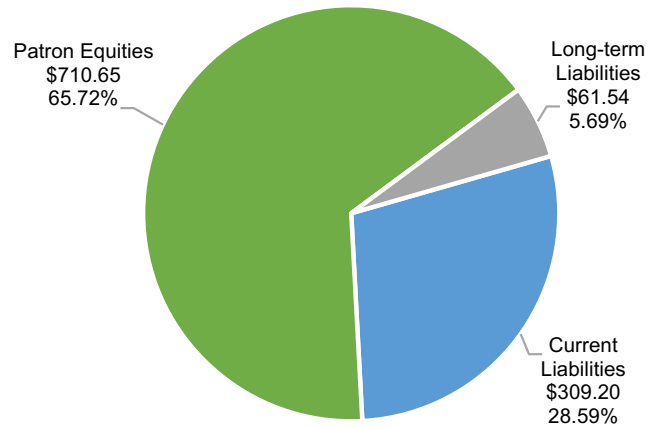


Patron Equities



Liabilities and Patron Equities

(in millions and percentage)



» Pictured here is the new Waupun feed mill facility which holds about 8,500 tons of feed ingredients along with 40,000 sq ft of warehouse storage.

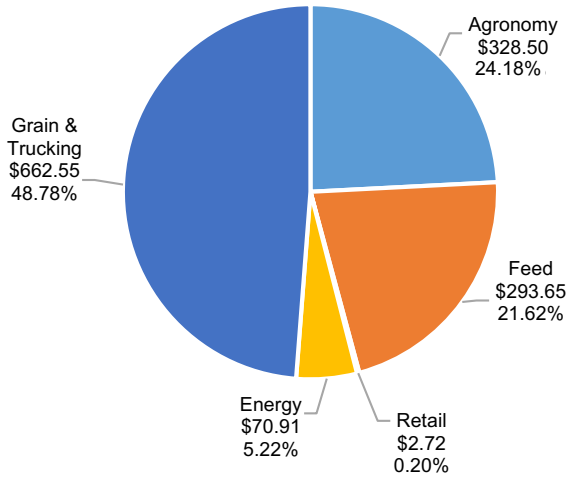


Statement of Operations

	<u>2023</u>		<u>2022</u>	
Sales	\$1,358,331,208	100.00%	\$1,458,666,545	100.00%
Less discounts	<u>(3,885,411)</u>	<u>(0.29)</u>	<u>(3,620,676)</u>	<u>(0.25)</u>
Net sales	1,354,445,797	99.71	1,455,045,869	99.75
Cost of sales	<u>1,184,978,729</u>	<u>87.24</u>	<u>1,268,554,321</u>	<u>86.97</u>
Gross margin	169,467,068	12.47	186,491,548	12.79
Operating expenses				
Merchandising expenses				
Salaries and wages	52,938,587		51,491,935	
Less: wages reimbursed	<u>(9,092,865)</u>		<u>(8,566,141)</u>	
Payroll taxes	2,869,820		2,714,932	
Pension expense	1,401,476		1,187,754	
Employee insurance	4,733,557		4,619,859	
Vehicle expense	9,474,344		11,424,291	
Supplies and licenses	1,349,622		1,283,809	
Utilities	2,609,915		2,758,272	
Repairs and maintenance	2,617,856		3,031,404	
Advertising	201,992		288,494	
Corn dryer expense	3,167,182		2,724,311	
Bean roasting expense	30,120		59,268	
Employee training and travel	81,012		41,263	
Contracted personnel	396,556		242,012	
Miscellaneous	<u>(339,944)</u>		<u>(281,960)</u>	
<i>Total merchandising expense</i>	72,439,230	5.33	73,019,503	5.01
<i>Total administrative expense</i>	1,707,073	0.12	1,427,572	0.10
General				
Depreciation and amortization	33,553,031		41,177,724	
Insurance	3,624,033		3,159,210	
Property taxes	2,060,535		1,988,173	
Education, rent and miscellaneous	<u>905,385</u>		<u>893,579</u>	
<i>Total general expenses</i>	40,142,984	2.96	47,218,686	3.24
Interest and other expenses (income)				
Gain on removal of property and equipment	(733,276)		(1,836,668)	
Finance charges income	(445,804)		(316,577)	
Purchase discounts	(1,098,624)		(1,167,999)	
Other revenue	(9,278,250)		(3,188,182)	
Interest expense	813,833		4,543,817	
Collection and other expense	<u>778,034</u>		<u>956,990</u>	
<i>Total interest and other expenses (income)</i>	(9,964,087)	(0.74)	(1,008,619)	(0.07)
Net operating expenses	104,325,200	7.67	120,657,142	8.27
Local net margin	65,141,868	4.80	65,834,406	4.51
Income from affiliates	47,522,015	3.50	42,754,529	2.93
Patronage refunds received	<u>11,337,491</u>	<u>0.83</u>	<u>5,773,081</u>	<u>0.40</u>
<i>Net margin before income taxes</i>	124,001,374	9.13	114,362,016	7.84
Income taxes	<u>11,272,000</u>	<u>0.83</u>	<u>7,665,000</u>	<u>0.53</u>
Net margin	\$112,729,374	8.30%	\$106,697,016	7.31%

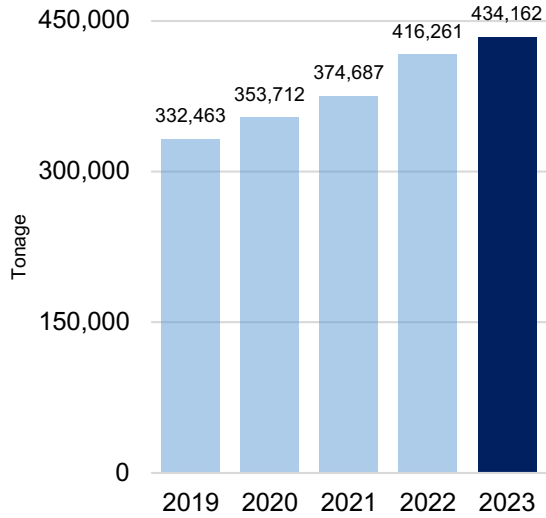
Total Sales

\$1,358,331,208
(in millions and percentage)

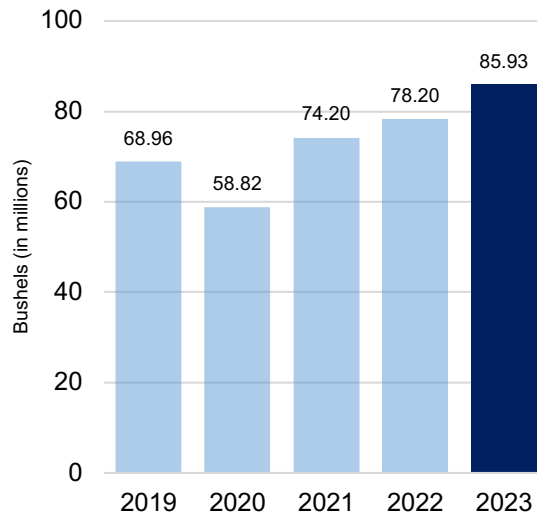


Pictured here is our Center Valley dry fertilizer plant as of March 28th. This will be a complete Agronomy and grain facility with 3.7-million-bushel grain storage and drying facility.

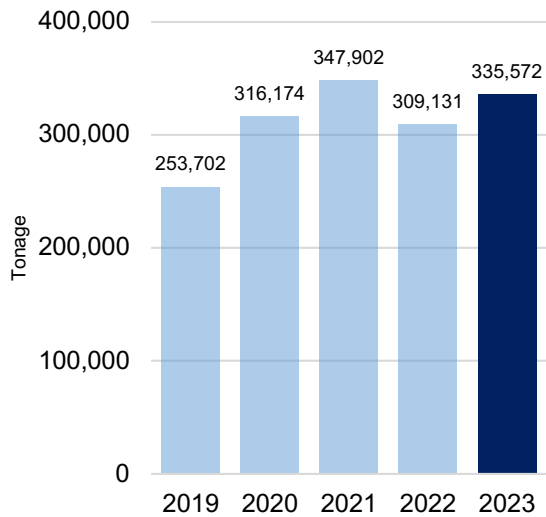
Feed Volume



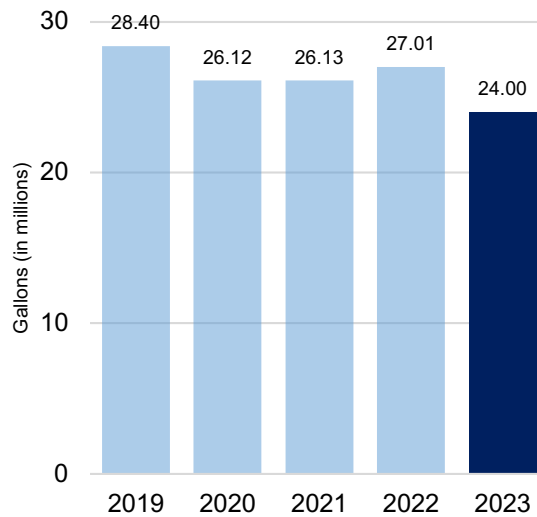
Grain Volume



Fertilizer Volume

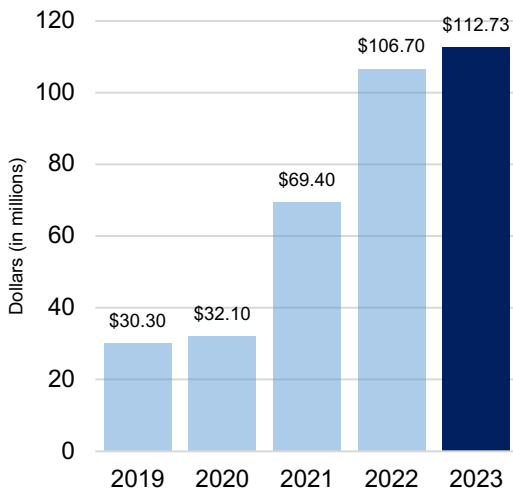


Fuel Volume

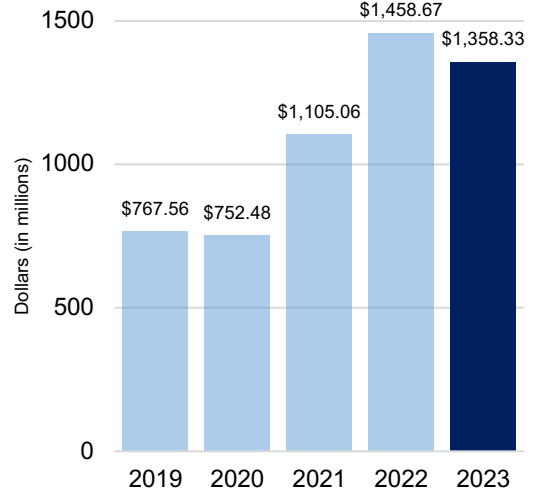


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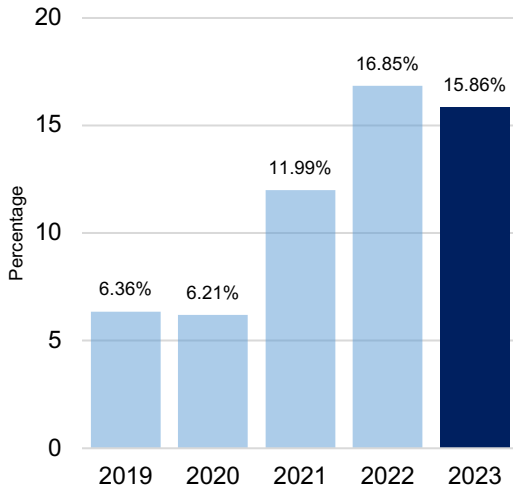
Net income total for five years



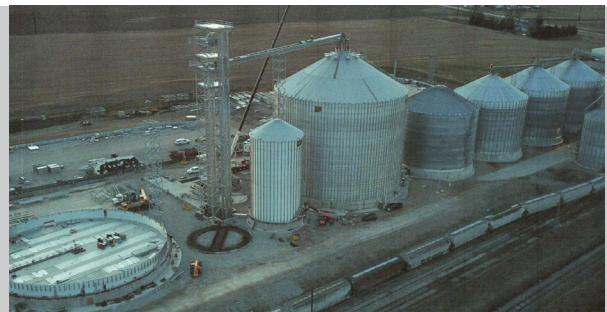
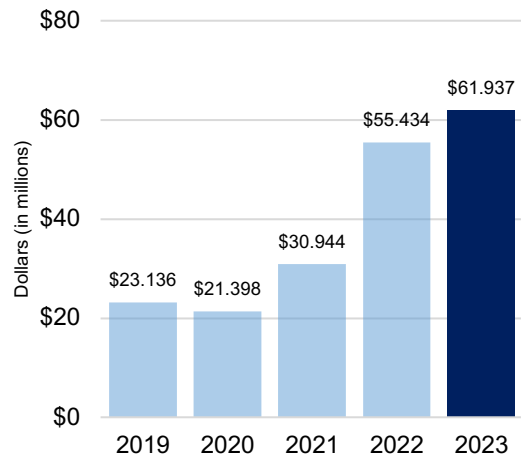
Annual Sales



Return on Equity



Cash returned to members in five years



Relying on United Cooperative means relying on our dedicated, experienced staff and up to date equipment. Our employees are our greatest asset and are here to help your operation succeed.

Net margin based on an average sale of \$100

	<u>2023</u>	<u>2022</u>
Sales	\$100.00	\$100.00
Less discount	(0.29)	(0.25)
Cost of sales	<u>87.24</u>	<u>86.97</u>
Gross margin	12.47	12.78
Merchandising expense	5.33	5.01
Administrative expense	0.12	0.10
General expense	2.96	3.24
Interest and other expense	<u>(0.74)</u>	<u>(0.07)</u>
<i>Total operating expenses</i>	7.67	8.28
Local net	4.80	4.50
Income from affiliates	3.50	2.94
Patronage refunds received	0.83	0.40
Income taxes	<u>(0.83)</u>	<u>(0.53)</u>
Net margin*	\$8.30	\$7.31

**Net margin used for debt repayment, capital expenditures, and equity retirements*



United Cooperative Location Directory

GRAIN

Auroraville North	920-361-4854
Auroraville South	920-361-3361
Belmont	608-762-5976
Boscobel	608-375-2800
Denmark	920-863-2171
Greenville	920-757-6556
Hartford	262-673-8960
Hillsboro	608-489-4120
Horicon	920-485-9707
Johnson Creek	920-699-2771
Oconto Falls	920-846-4775
Oshkosh	920-233-2261
Pulaski	920-822-3252
Ripon North	920-748-7488
Ripon South	920-748-7999
Rock Springs	608-524-5246
Sauk City	608-643-3345
Shawano	715-526-6115
South Beaver Dam	920-887-7671
Westfield	608-296-3237

AGRONOMY

Auroraville North	920-361-4854
Coleman	920-897-4010
Darlington	608-776-3860
Deerfield	608-764-5454
Denmark	920-863-2171
Greenville	920-757-6556
Hartford	262-673-8960
Hillsboro	608-489-3444
Johnson Creek	920-699-4990
Mayville	920-387-2410
Pickett	920-589-2311
Prairie du Sac	608-643-2348
Pulaski	920-822-3341
Reedsburg	608-524-2822
South Beaver Dam	920-887-7671
Shawano	715-524-8812
Westfield	608-296-3237

FEED

Beaver Dam	920-885-5522
Denmark	920-863-2171
Greenville	920-757-6556
Hartford	262-673-8960
Sauk City	608-643-3345
Shawano	715-526-6115
Wilton	608-435-6421

ENERGY

Beaver Dam	920-887-1756
Deerfield	608-764-5454
Denmark	920-863-2171
Greenville	920-757-6556
Hartford	262-673-8960
Hillsboro	608-489-2231
Mayville	920-387-2410
Pickett	920-589-2311
Pulaski	920-822-3235
Reedsburg	608-524-2822
Shawano	715-526-3197
Wilton	608-435-6421

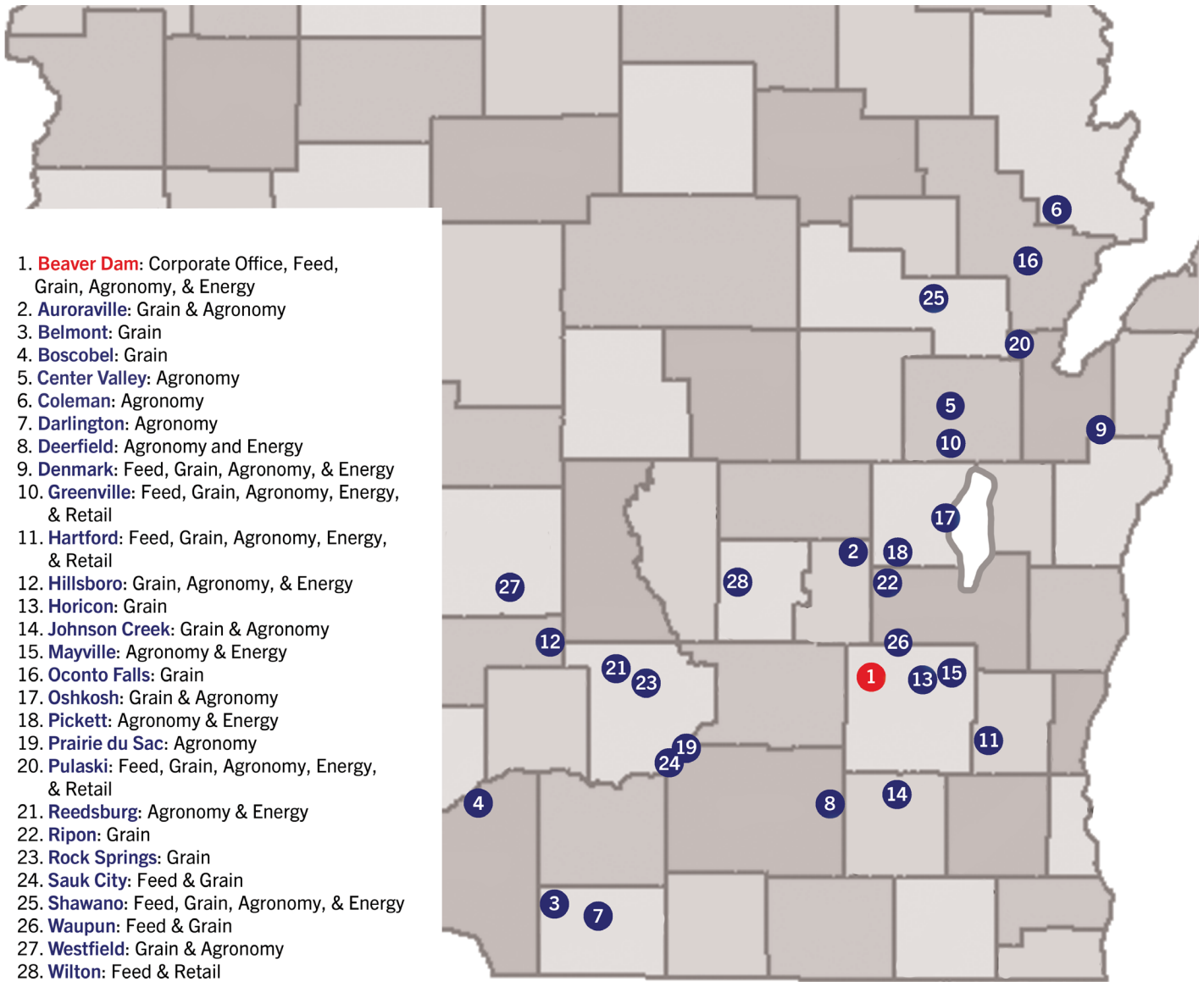
CONVENIENCE STORES

Beaver Dam	920-887-1756
Greenville Hwy 76	920-659-4950
Hartford	262-673-8960
Wilton	608-435-6977

RETAIL

<i>Hardware</i>	
Pulaski Ace	920-822-6396
Greenville Ace	920-659-4950

Corporate Office **920-887-1756**



1. **Beaver Dam:** Corporate Office, Feed, Grain, Agronomy, & Energy
2. **Auroraville:** Grain & Agronomy
3. **Belmont:** Grain
4. **Boscobel:** Grain
5. **Center Valley:** Agronomy
6. **Coleman:** Agronomy
7. **Darlington:** Agronomy
8. **Deerfield:** Agronomy and Energy
9. **Denmark:** Feed, Grain, Agronomy, & Energy
10. **Greenville:** Feed, Grain, Agronomy, Energy, & Retail
11. **Hartford:** Feed, Grain, Agronomy, Energy, & Retail
12. **Hillsboro:** Grain, Agronomy, & Energy
13. **Horicon:** Grain
14. **Johnson Creek:** Grain & Agronomy
15. **Mayville:** Agronomy & Energy
16. **Oconto Falls:** Grain
17. **Oshkosh:** Grain & Agronomy
18. **Pickett:** Agronomy & Energy
19. **Prairie du Sac:** Agronomy
20. **Pulaski:** Feed, Grain, Agronomy, Energy, & Retail
21. **Reedsburg:** Agronomy & Energy
22. **Ripon:** Grain
23. **Rock Springs:** Grain
24. **Sauk City:** Feed & Grain
25. **Shawano:** Feed, Grain, Agronomy, & Energy
26. **Waupun:** Feed & Grain
27. **Westfield:** Grain & Agronomy
28. **Wilton:** Feed & Retail