

UNITED
COOPERATIVE™
R E L Y O N U S

89th Annual Report

2024





Letter from the CEO

As we enter 2025, we reflect on a year of progress, resilience, and dedication to serving our member-owners. United Cooperative remains steadfast in its mission to provide superior products, services, and infrastructure to support the evolving needs of our agricultural community.

Throughout 2024, our employees demonstrated an unwavering commitment to excellence, ensuring operational efficiency and exceptional customer service. Their dedication, combined with the trust and support of our members, has driven another year of growth across all core divisions. We extend our sincere appreciation to every employee, member, and partner who contributed to our success.

United Cooperative continues to invest in infrastructure to meet the increasing demands of our members. In the past year, we have completed and initiated key building projects in locations such as Waupun, Mayville, Ripon, Hillsboro, Center Valley, and Coleman. These enhancements position us to better serve our customers with increased capacity and improved efficiency.

Agriculture remains an industry of adaptation, and despite the challenges of unpredictable weather and supply chain fluctuations, we experienced strong crop yields and favorable harvesting conditions in 2024. Our ongoing facility upgrades have allowed us to efficiently handle higher volumes, ensuring that our members receive the best possible service. We are grateful for the efforts of our seasonal workforce and suppliers who played a crucial role in another successful year.

Grain production continues to grow in Wisconsin, and we are committed to expanding our storage capacity and refining our logistics to accommodate this upward trend. Because of that grain growth, United Cooperative is in the final construction phase of our soybean crush plant in Waupun, Wisconsin. This will provide new market access and further the value supply chain for soybeans.

Celebrating 89 years of service, United Cooperative remains dedicated to long-term sustainability and growth. The agricultural landscape is constantly evolving, influenced by economic pressures, technological advancements, and global markets. We encourage our members to collaborate with our trusted sales teams to make informed decisions that enhance profitability and efficiency.

United Cooperative takes pride in giving back to our local communities and helps advance many non-profit organizations' 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 2024, 47 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 600, which equates to \$600,000 in scholarships since the program's inception in 2008.

Revenues for 2024 were \$1.19 billion. United Cooperative's core businesses of agronomy, grain, feed, and energy generated \$61.5 million in profits. The investments United Cooperative has made in ethanol production contributed \$36.5 million to our net income in 2024. Patronage from regional cooperatives was \$9.9 million dollars. All combined, United Cooperative had a total net margin before income taxes in 2024 of \$107.9 million dollars.

With those numbers, United Cooperative is returning \$48.6 million in total patronage to members. Fifty percent of this patronage, or \$24.3 million, will be distributed in cash to our patron members in May, while the other 50 percent, or \$24.3 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.

As we embark on another year, we reaffirm our commitment to innovation, service, and reliability. Together, we will continue to strengthen our cooperative and support the farmers who feed our communities. We appreciate that you "Rely on Us" as your partner in success.

Thank you again for your patronage in 2024 and I look forward to an exciting and prosperous year in 2025.

Cooperatively yours,

A handwritten signature in dark ink that reads "David Cramer". The signature is fluid and cursive, with a long horizontal stroke at the end.

David Cramer
United Cooperative President and Chief Executive Officer

2024 Officers & Directors



LUKE BERGMANN
Director, Ellington



HOWARD BOHL
Chairman, Beaver Dam



ROBIN CRAKER
Secretary, Reedsburg



DAVID CRAMER
Treasurer, Beaver Dam



JORDAN CRAVE
Director, Waterloo



DUANE HINCHEY
Director, Cambridge



BRAD KRUEGER
Director, Shawano



ROD LEITERMAN
Director, Denmark



PETER MLSNA
Director, Hillsboro



GARY NOLDEN
Vice Chairman, Prairie du Sac

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 2024, your cooperative...

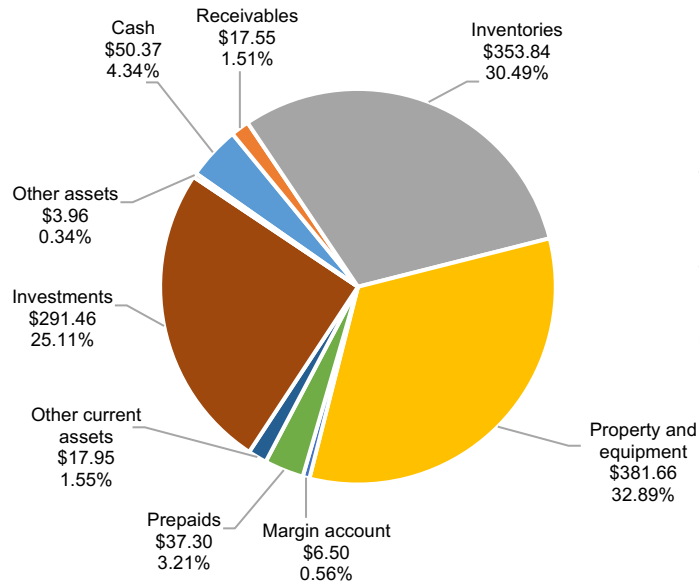
- Returned over \$67.8 million in total patronage to members: Fifty percent of this patronage, or \$33.9 million, was distributed in cash to patron member-owners; 50% or \$ 33.9 million, was retained in equity credits
- Returned \$19 million in cash through our equity revolvment program
- Waupun - The feed mill facility was completed in 2024 and holds about 8,500 tons of feed ingredients and 40,000 sq ft of warehouse storage. A new 2.4-million-bushel grain terminal was also completed in late 2024. Started construction of our soy processing facility, which is scheduled to be operational for the fall harvest in 2025.
- Center Valley – A complete new Agronomy facility with dry and liquid fertilizer and started a 3.7-million-bushel grain storage facility with rail to load 100-car unit trains. The grain facility will be operational in late spring of 2025.
- Coleman – Agronomy warehouse addition and liquid plant expansion. Operational for spring of 2025.
- Hillsboro – Dry fertilizer plant expansion with more than 2,000 tons of additional storage. Operational for spring of 2025.
- Mayville – Started construction of a completely new agronomy facility in the township of Hubbard with dry, liquid, crop protection storage and offices. Operational for spring of 2025.
- 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. Total completion will be fall of 2025.
- Awarded \$47,000 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 29th on USDA’s Top 100 list of agricultural cooperatives in the United States
- Ranked 20th on the 2024 CropLife 100 agronomy companies in the United States

Balance Sheet

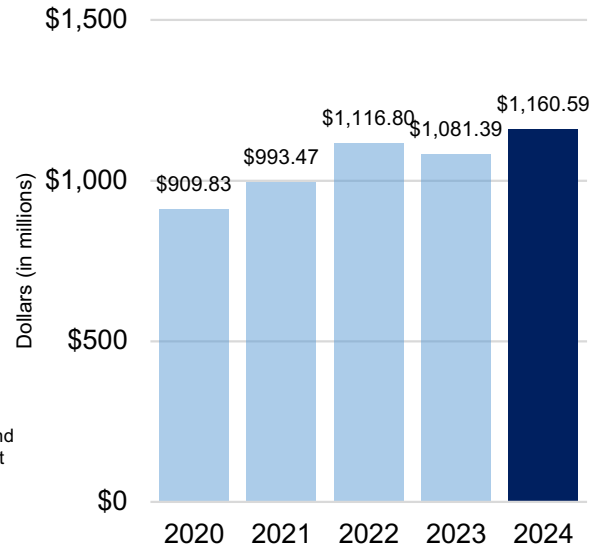
	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$50,366,588	\$34,457,494
Receivables, net	17,545,523	23,226,525
Inventories	353,839,164	362,089,203
Margin account	6,503,455	12,664,707
Unrealized gain on forward contracts	-	554,492
Prepaid expenses	37,299,020	44,357,945
Income taxes refundable	14,177,313	-
Other current assets	<u>3,769,316</u>	<u>79,618,427</u>
Total current assets	483,500,379	556,968,793
Investments and other assets		
Investments	291,463,852	191,516,485
Other assets	<u>3,963,162</u>	<u>3,849,451</u>
Total investments and other assets	295,427,014	195,365,936
Property and equipment	674,074,741	599,799,935
Less accumulated depreciation	<u>(292,410,211)</u>	<u>(270,740,395)</u>
Net property and equipment	381,664,530	329,059,540
Total assets	\$1,160,591,922	\$1,081,394,269
Current liabilities		
Current maturities of long-term debt	\$16,600,000	\$13,630,000
Short Term Debt	9,436,869	-
Accounts payable	43,127,669	42,977,406
Grain payables	53,597,741	62,588,305
Unrealized loss on forward contracts	1,782,899	-
Accrued expenses	14,908,166	15,033,166
Taxes payable	2,520,916	2,141,007
Patronage refunds payable in cash	24,327,000	33,900,000
Patron prepayments/credit balances	141,826,683	131,937,023
Income taxes payable	-	2,404,452
Other	<u>5,410,080</u>	<u>4,595,529</u>
Total current liabilities	313,538,023	309,206,888
Long-term liabilities		
Long-term debt, less current maturities above	72,850,000	60,950,000
Remediation payable	667,200	318,000
Deferred income taxes	<u>13,503,000</u>	<u>274,000</u>
Total long-term liabilities	87,020,200	61,542,000
Total liabilities	\$400,558,223	\$370,748,888
Patron equities		
Preferred equities	224,025,825	219,940,031
Equity credits	151,387,450	141,826,917
Patronage refunds payable in equity	24,327,000	33,900,000
General reserve	<u>360,293,424</u>	<u>314,978,433</u>
Total patron equities	760,033,699	710,645,381
Total liabilities and equities	\$1,160,591,922	\$1,081,394,269

Assets

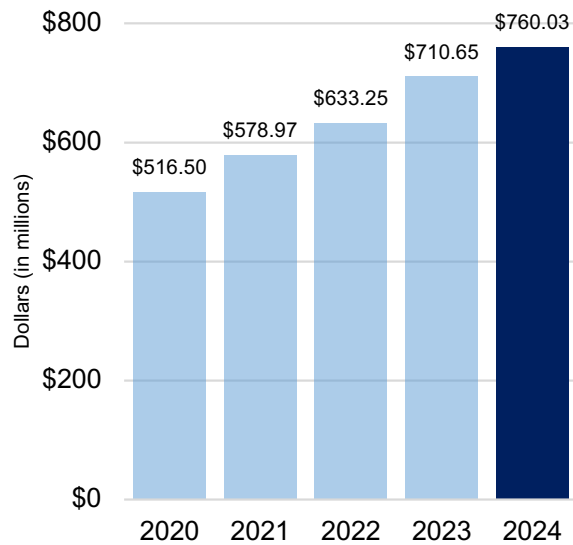
\$1,160,591,922
(in millions and percentages)



Total Assets

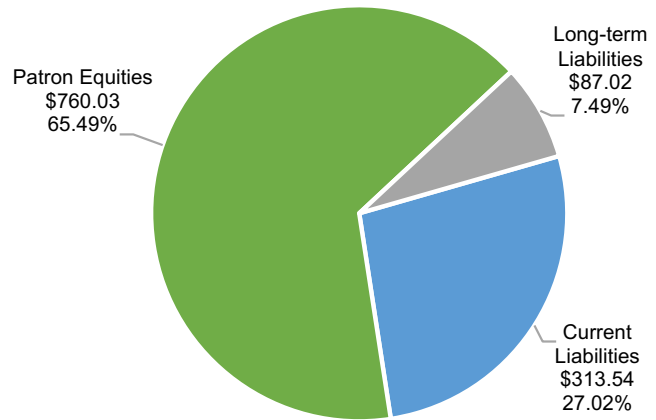


Patron Equities



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 including our soy processing facility, which is scheduled to be operational for the fall harvest in 2025.

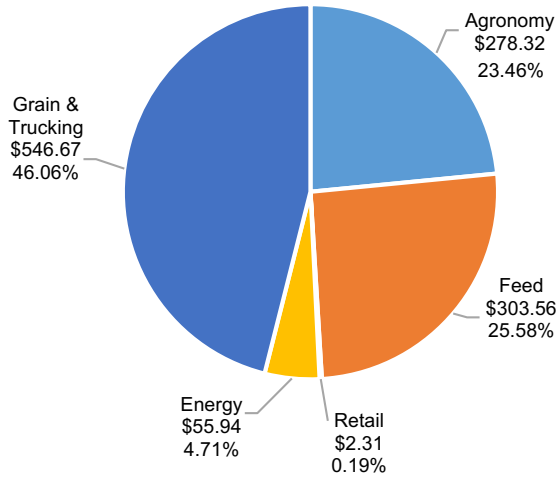


Statement of Operations

	<u>2024</u>		<u>2023</u>	
Sales	\$1,186,792,954	100.00%	\$1,358,331,208	100.00%
Less discounts	<u>(4,499,142)</u>	<u>(0.38)</u>	<u>(3,885,411)</u>	<u>(0.29)</u>
Net sales	1,182,293,812	99.62	1,354,445,797	99.71
Cost of sales	<u>1,016,517,544</u>	<u>85.65</u>	<u>1,184,978,729</u>	<u>87.24</u>
Gross margin	165,776,268	13.97	169,467,068	12.47
Operating expenses				
Merchandising expenses				
Salaries and wages	54,958,443		52,938,587	
Less: wages reimbursed	<u>(9,473,706)</u>		<u>(9,092,865)</u>	
Payroll taxes	3,014,521		2,869,820	
Pension expense	1,576,737		1,401,476	
Employee insurance	4,833,316		4,733,557	
Vehicle expense	8,541,720		9,474,344	
Supplies and licenses	1,345,181		1,349,622	
Utilities	2,655,235		2,609,915	
Repairs and maintenance	2,952,674		2,617,856	
Advertising	287,524		201,992	
Corn dryer expense	1,851,899		3,167,182	
Bean roasting expense	34,325		30,120	
Employee training and travel	88,932		81,012	
Contracted personnel	325,444		396,556	
Miscellaneous	<u>(384,191)</u>		<u>(339,944)</u>	
Total merchandising expense	72,608,054	6.12	72,439,230	5.33
Total administrative expense	2,040,564	0.17	1,707,073	0.12
General				
Depreciation and amortization	37,108,477		33,553,031	
Insurance	4,746,320		3,624,033	
Property taxes	2,464,291		2,060,535	
Education, rent and miscellaneous	<u>834,378</u>		<u>905,385</u>	
Total general expenses	45,153,466	3.81	40,142,984	2.96
Interest and other expenses (income)				
Gain on removal of property and equipment	<u>(3,507,873)</u>		<u>(733,276)</u>	
Finance charges income	<u>(298,309)</u>		<u>(445,804)</u>	
Purchase discounts	<u>(936,243)</u>		<u>(1,098,624)</u>	
Other revenue	<u>(12,604,501)</u>		<u>(9,278,250)</u>	
Interest expense	804,632		813,833	
Collection and other expense	<u>1,053,816</u>		<u>778,034</u>	
Total interest and other expenses (income)	(15,488,478)	(1.31)	(9,964,087)	(0.74)
Net operating expenses	104,313,606	8.79	104,325,200	7.67
Local net margin	61,462,662	5.18	65,141,868	4.80
Income from affiliates	36,452,328	3.07	47,522,015	3.50
Patronage refunds received	<u>9,891,235</u>	<u>0.83</u>	<u>11,337,491</u>	<u>0.83</u>
Net margin before income taxes	107,806,225	9.08	124,001,374	9.13
Income taxes	<u>8,265,600</u>	<u>0.70</u>	<u>11,272,000</u>	<u>0.83</u>
Net margin	\$99,540,625	8.38%	\$112,729,374	8.30%

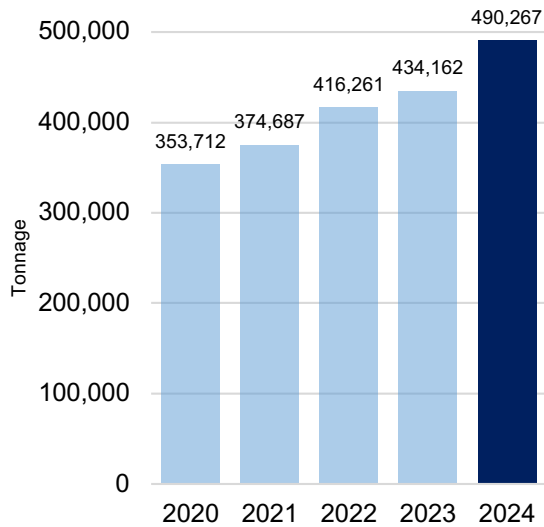
Total Sales

\$1,186,792,954
(in millions and percentage)

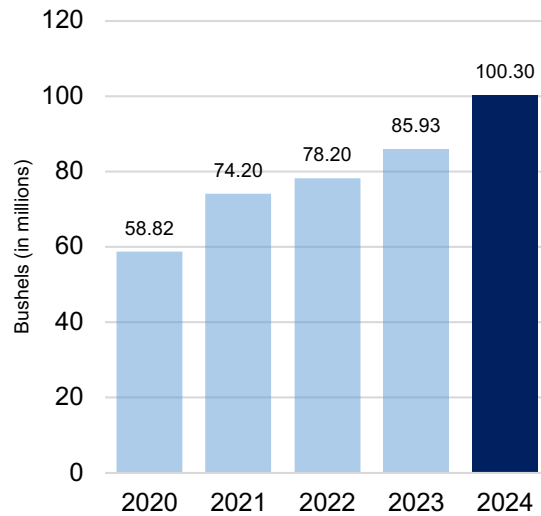


» Pictured here is our completely new Mayville agronomy facility in the township of Hubbard with dry, liquid, crop protection storage and offices, which will be operational for spring of 2025.

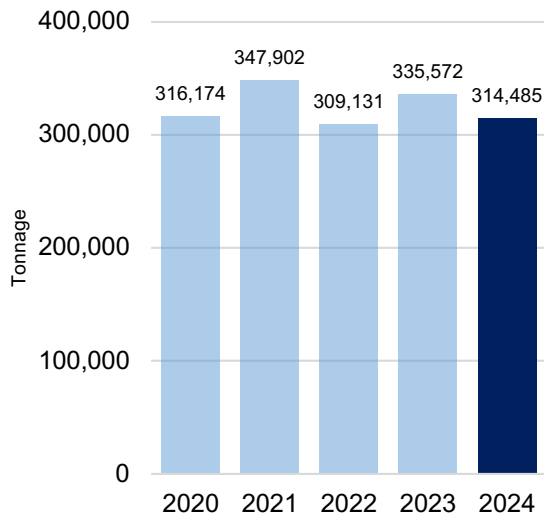
Feed Volume



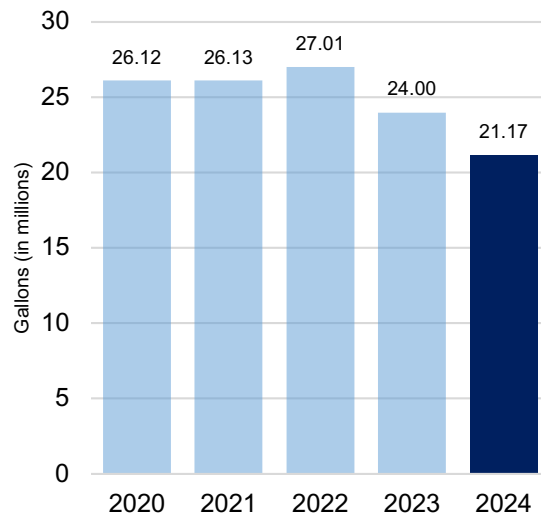
Grain Volume



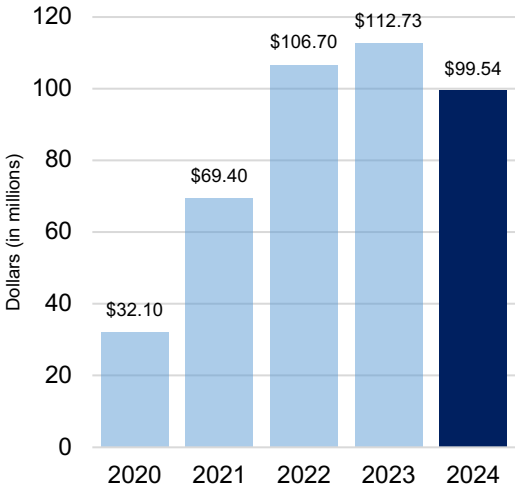
Fertilizer Volume



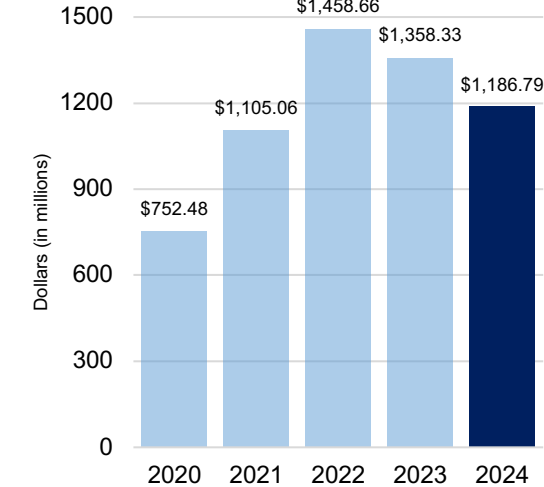
Fuel Volume



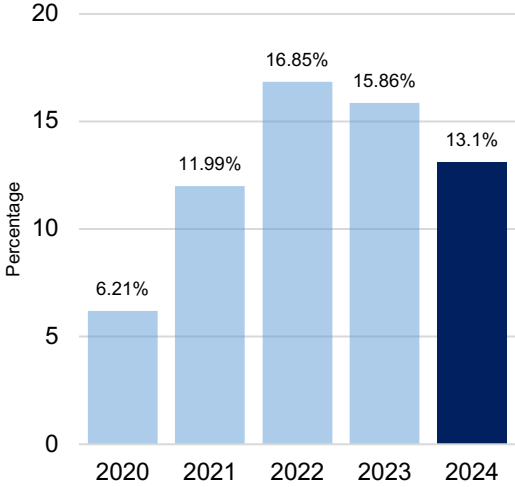
Net income total for five years



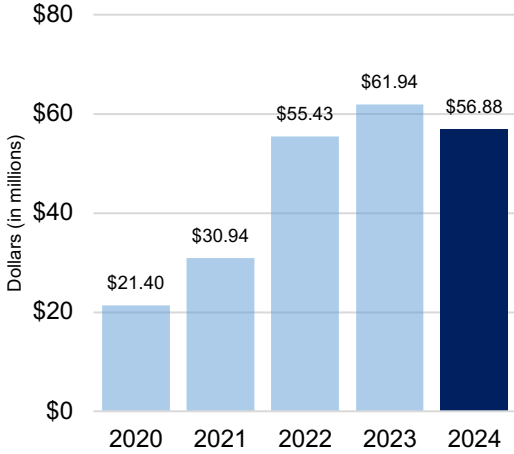
Annual Sales



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>2024</u>	<u>2023</u>
Sales	\$100.00	\$100.00
Less discount	(0.38)	(0.29)
Cost of sales	<u>85.65</u>	<u>87.24</u>
Gross margin	13.97	12.47
Merchandising expense	6.12	5.33
Administrative expense	0.17	0.12
General expense	3.81	2.96
Interest and other expense	<u>(1.31)</u>	<u>(0.74)</u>
<i>Total operating expenses</i>	8.79	7.67
Local net	5.18	4.80
Income from affiliates	3.07	3.50
Patronage refunds received	0.83	0.83
Income taxes	<u>(0.70)</u>	<u>(0.83)</u>
Net margin*	\$8.38	\$8.30

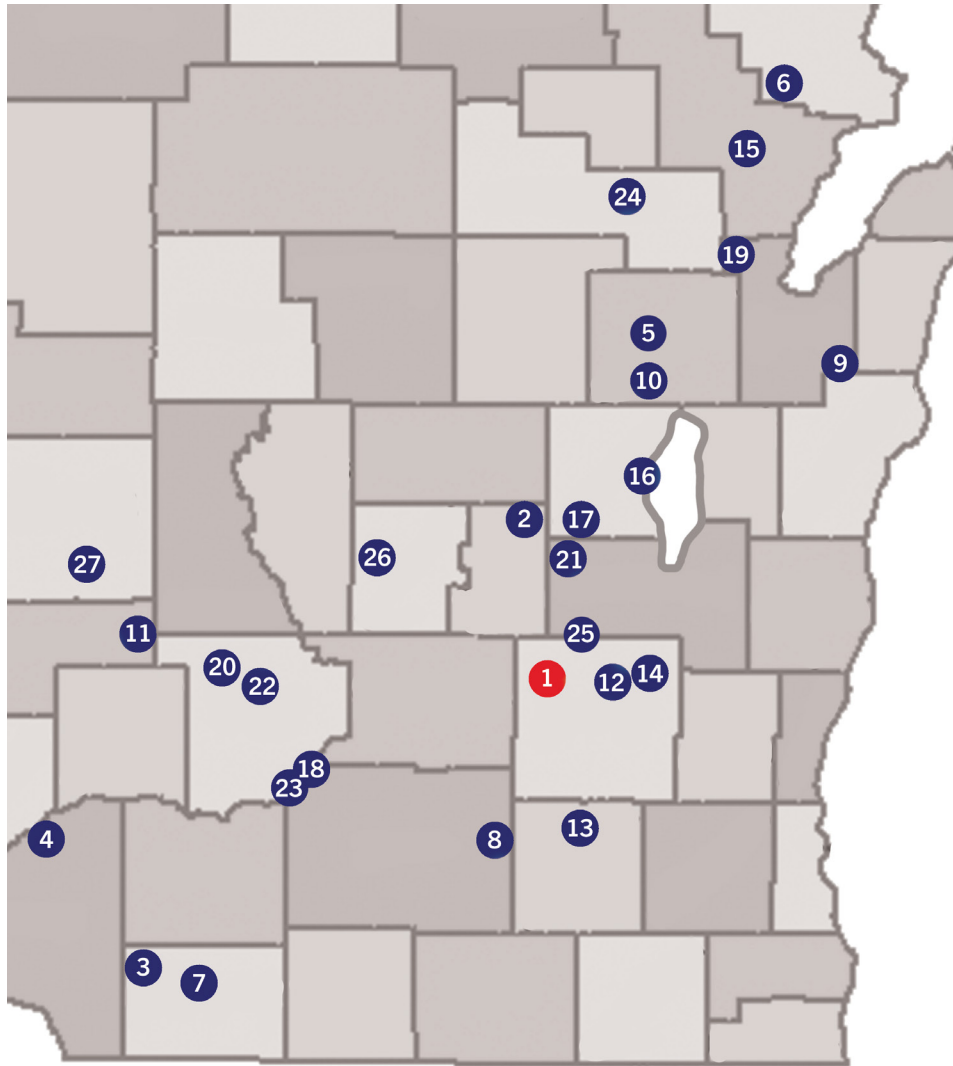
*Net margin used for debt repayment, capital expenditures, and equity retirements



Notes

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United Cooperative Location Directory



1. Beaver Dam Corporate Office & Energy.....	920-887-1756	15. Oconto Falls Grain.....	920-846-4775
South Beaver Dam Agronomy, & Grain.....	920-887-7671	16. Oshkosh Grain.....	920-233-2261
2. Auroraville North Grain & Agronomy.....	920-361-4854	17. Pickett Agronomy & Energy.....	920-589-2311
Auroraville South Grain.....	920-361-3361	18. Prairie du Sac Agronomy.....	608-643-2348
3. Belmont Grain.....	608-762-5976	19. Pulaski Grain, Agronomy, Energy, & Retail.....	920-822-3235
4. Boscobel Grain.....	608-375-2800	20. Reedsburg Agronomy & Energy.....	608-524-2822
5. Center Valley Agronomy & Grain.....	920-757-6556	21. Ripon North Grain.....	920-748-7488
6. Coleman Agronomy.....	920-897-4010	Ripon South Grain.....	920-748-7999
7. Darlington Agronomy.....	608-776-3860	22. Rock Springs Grain.....	608-524-5246
8. Deerfield Agronomy and Energy.....	608-764-5454	23. Sauk City Feed & Grain.....	608-643-3345
9. Denmark Feed, Grain, Agronomy, & Energy.....	920-863-2171	24. Shawano Feed, Grain, & Energy.....	715-526-6115
10. Greenville Feed.....	920-757-6556	Shawano Agronomy & Grain.....	715-524-8812
Greenville Hardware.....	920-659-4950	25. Waupun Feed & Grain.....	920-239-8887
11. Hillsboro Grain, Agronomy & Energy.....	608-489-3444	26. Westfield Grain & Agronomy.....	608-296-3237
12. Horicon Grain.....	920-485-9707	27. Wilton Feed.....	608-435-6421
13. Johnson Creek Grain.....	920-699-2771	Wilton Convenience Store.....	608-435-6977
Johnson Creek Agronomy.....	920-699-4990		
14. Mayville Agronomy & Energy.....	920-387-2410		



N7160 Raceway Road
Beaver Dam, WI 53916
P 920-887-1756
T 1-800-924-2991
www.unitedcooperative.com