

AG-LAND FS, INC

www.aglandfs.com

INSIGHT

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Ag-Land FS ended their fiscal year on July 31 with an after-tax loss of \$1.1 million. While it is unusual for Ag-Land to lose money it was expected this year due to a large pension withdrawal liability when the Teamsters Union decertified in Tazewell County. It is a short-term setback that we expect to recover from in the new fiscal year. We still have a very strong balance sheet built up from many years of strong performance.

In the past our member-owners were used to receiving patronage refunds from Ag-Land. And if you were a grain customer you received unused IRS Section 199/DPAD deductions. As a result of the loss this year all customers in our grain and merchandise departments will receive unused DPAD deductions from the Company. This pass-through amount will be communicated to you shortly as our auditors are putting the finishing touches on our tax return and will soon be providing us with the pass-through totals. Watch your mailbox in October for your individual amount.

October is National Cooperative Month and even in a down year it is a good time to be a member of an agricultural cooperative. Thank you for supporting your local cooperative and please be careful this fall season.

