

Impact of Grower Investment on Balance Sheet

▶ Source of funding

- Future financing acquisitions, expansions in plants and facilities, R&D, or any number of growth initiatives
- Adding cash to the balance sheet gives the flexibility required to grow internally or finance acquisitions

Impact of Grower Investment on Balance Sheet

- Positive working capital
- Manage debt and debt/equity relationship
 - Banking relationships
 - Monitor our retained earnings statement
 - Policy regarding beet payments to growers
 - Impact on its ability to repay long-term debt obligations
 - Very low interest rates and loan costs
 - Relax debt covenants
- Early revolvment of retention

Impact of Grower Investment on Balance Sheet

- Growth and Expansion
 - Co-op is able to quickly respond to opportunities
 - Allotment
 - Strategic acquisition
 - Factory, machine and equipment projects
 - Return on projects is high
 - Operations
 - Beet storage
 - Expand value-added marketing
 - Desugarization improvements

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- Alternatives
 - React and retain on annual need
 - Restrict future expansion and capital growth during “down” years
 - Limit early revolvment options
 - Sacrifice low-cost debt alternatives

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**Retention
2002-2013**

