



A Joint Letter to the Members of
Envision Cooperative & Farmers Union Oil Company of Mohall/Sherwood

August 2018

Dear Valued Patron,

The Boards and Management of both Envision Cooperative and Farmers Union Oil Company of Mohall/Sherwood have met multiple times jointly and separately to evaluate the potential advantages and opportunities of partnering through unification. Both Boards have reviewed and assessed current industry trends, future projections and current conditions as part of their discussions.

Throughout this process, both Boards discovered many things, most important being that both cooperatives were founded on the same principles, values, culture and desire to seek better ways to provide products and service to their members.

Agriculture has changed dramatically. The challenges of global competition, volatility of markets, increased compliance and regulatory mandates, as well as an overall increase in operating expenses have created a significant economic squeeze throughout the entire industry. To remain sustainable, certain levels of growth are necessary to meet the changes and challenges of the future. If the world around us changes faster than we are willing to change and grow, we risk losing our relevance to our patrons.

Producers' wants and needs for today's farming are much more demanding. Speed of delivery and service, options on products, information, and risk management tools are now table stakes for all organizations.

For these reasons, both the Envision and Farmers Union Oil Company of Mohall/Sherwood Boards of Directors have been exploring the possibility of unifying through a merger of the two cooperatives. Although no agreement has been set in stone between the two cooperatives at this point, both Boards of Directors wish to inform their patrons that they have met and unanimously agreed to continue to explore this potential opportunity and whether unification would benefit the patron members of both cooperatives.

A list of questions that your Board Members initially had and their responses to these questions is included with this letter. While there currently might not be an answer to every question our patrons may have, over the next few months, each company's employees and Board of Directors will continue to vet these out.

If the Boards of Directors ultimately recommend moving forward with a plan of unification, there will be scheduled member meetings for you to learn more. If this process continues, our voting members will have the final say with a member vote.

Thank you for your consideration and support of your cooperative. If you have any questions, please contact a member of the Board of Directors or General Manager for your cooperative.

Respectfully,

Scott Johnson, President
Envision Cooperative

Trent Johnson, President
Farmers Union Oil Company
of Mohall/Sherwood