



NEWS RELEASE

FOR IMMEDIATE RELEASE
January 26, 2024

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FARMERS COOPERATIVE ELEVATOR COMPANY AND KANZA COOPERATIVE ASSOCIATION ANNOUNCE MERGER TALKS

Member-owners encouraged to review merger information, attend meetings, and vote

IUKA, Kan. – Farmers Cooperative Elevator Company (FCEC) and Kanza Cooperative Association (Kanza) jointly announced that their Boards of Directors have approved a Letter of Intent to initiate discussions regarding a potential merger. Following thorough internal and independent analyses to assess associated risks and benefits, both Boards have given the green light to proceed with merger discussions and commence the drafting of a Definitive Agreement.

According to Dixie Brewster, board chair of FCEC, “This decision holds significant importance for both cooperatives. The leadership believes that a merger will not only benefit their members, employees, and business but also lead to greater efficiencies and allow continued investment. Our cooperatives have similar values and complementary assets so this merger is a win-win for all.”

Alvin Neville, board chair of Kanza, emphasizes, “The members own these cooperatives and a positive member vote will build a strong foundation for success in the future. Our businesses fit

well together, FCEC is our neighbor to the East with similar financial successes and a like-minded team of managers and patrons. We know that the competition is fierce; this combination of two strong co-ops will protect your equity.”

Information packets detailing the discussed merger details will be provided to the members, and due diligence will be conducted by the board of directors, management, and employees to identify synergies and risks associated with the merger.

For the merger to be accepted, Kansas law mandates that two-thirds of the votes cast must favor the proposal. The Boards of Directors of both cooperatives will convene in March to review the Definitive Agreement and vote on whether to proceed with the merger.

If the member vote is successful, the administrative headquarters of the combined cooperative will remain Iuka, KS, and it will retain the name Kanza Cooperative Association. Alan Woodard will continue as the CEO, and Rusty Morehead, the current FCEC GM, will hold a key leadership position as a key employee.

Based on the latest full fiscal year, the combined cooperative's agronomy, grain, energy, and feed business is projected to generate \$407 million in sales with \$285 million in total assets. The combined entity will operate from 31 locations and employ 204 full-time personnel.

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