

**UNITED**  
**COOPERATIVE**™  
RELY ON US

# 87th Annual Report

2022



AGRONOMY



GRAIN



FEED



ENERGY



# Letter from the CEO

With 2022 completed, I want to reflect on the tremendous momentum we have experienced this year. Our employees and facilities functioned at a very high level, creating growth, timely service, and demand creation. I want to thank the employees for their commitment and dedication and our member/owners for your loyalty and trust. Each of our core divisions saw unit increases and captured efficiencies to provide a good return on our investment. The United Cooperative board has approved many building projects this year to meet the demands of our customers. Some of the communities where major construction projects, were completed and are in construction phases, include Waupun, South Beaver Dam, Reedsburg, Fall River, Center Valley, Boscobel, Shawano Agronomy, Deerfield.

We were blessed with another great crop year. The planting season started later, but strong. We moved a lot of products in a short period. On another positive note, we were able to find the help and the logistics to get this accomplished. Thank you to our seasonal employees and our suppliers for this achievement. The harvest season was similar to last years, with great weather and harvesting conditions. Overall, we enjoyed favorable yields and excellent fall tillage conditions. We also had a considerable amount of fall fertilizer application this year. This should take some of the pressure off our spring planting season. We had logistical problems during the harvest season, both rail and space issues. We have contracted to build about 7.5 million bushels of additional storage throughout our trade territory in the next year, and the grain division is working on a daily basis with the railroad on continued logistical issues! We did pile several million bushels of corn on the ground to help keep the harvest moving. I know we fell short in several areas, and we are working to correct those areas to prevent this from happening again. To our grain customers, thank you for your patience this past harvest season.

December 31st marked the end of our fiscal year and the privilege of being in business for 87 years and United Cooperative had another strong year. Planning, execution, product availability, customer service, and loyal members are the foundation for United Cooperatives' success.

Our vision for the future has to parallel the agricultural changes of our farmers in order to create a positive customer experience and where our farmers can "Rely On Us". This is really evident today based on the economic environment, supply chain issues, inflation and worldwide markets. To maintain this type of experience, please have a discussion with your trusted advisors at United Cooperative as you prepare for your 2023 farm plan and input needs. Decision making, forecasting, planning and execution all have a direct impact on profitability at the farm and the cooperative.

United Cooperative takes pride in giving back to our local communities and helps advance many non-profit organization's 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 \$130,000. In 2022, 50 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 500 since the program's inception in 2008.

Revenues for 2022 were \$1.4 billion. United Cooperative's core businesses of agronomy, grain, feed and energy generated \$82.2 million in profits. The investments United Cooperative has made in ethanol production contributed \$26.4 million to our net income in 2022. Patronage from regional cooperatives was \$5.8 million dollars. All combined, United Cooperative had a total net margin before income taxes in 2022 of \$114.4 million dollars.

With those numbers, United Cooperative is returning \$63.5 million in total patronage to members. Fifty percent of this patronage, or \$31.7 million, will be distributed in cash to our patron members in May, while the other 50 percent, or \$31.7 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.

We strive to uphold United Cooperative's promise to build on all available resources to create positive customer experiences while growing profits for members and the cooperative. We want members to "Rely on Us" for high quality reliable products and exceptional service, all backed by up-to-date, efficient equipment and facilities.

Thank you again for your patronage in 2022 and I look forward to an exciting and prosperous year in 2023.

Cooperatively yours,

A handwritten signature in black ink that reads "David Cramer". The signature is written in a cursive, flowing style.

David Cramer  
United Cooperative President and Chief Executive Officer

# 2022 Officers & Directors

Front row, left to right:

**PETER MLSNA, DIRECTOR**  
Hillsboro

**JORDAN CRAVE, DIRECTOR**  
Waterloo

**HOWARD BOHL, CHAIRMAN**  
Beaver Dam

**ROD LEITERMAN, DIRECTOR**  
Denmark



Back row, left to right:

**GREG TAUCHEN, DIRECTOR**  
Bonduel

**GARY NOLDEN, VICE CHAIRMAN**  
Prairie du Sac

**DAVID CRAMER, TREASURER**  
Beaver Dam

**DUANE HINCHLEY, DIRECTOR**  
Cambridge

**BRAD KRUEGER, DIRECTOR**  
Shawano

**ROBIN CRAKER, SECRETARY**  
Reedsburg

## Additional Information

Date of incorporation..... Jan. 27, 1936  
Fiscal year end..... Dec. 31, 2022  
Annual meeting date..... Set by board of directors

## Personnel

David Cramer  
President and CEO

## In 2022, your cooperative...

- Returned over \$23 million in total patronage to members: Forty percent of this patronage, or \$9.2 million, was distributed in cash to patron member owners; 60% or \$ 13.8 million, was retained in equity credits
- Paid \$13 million in stock revolvment
- Waupun - New feed mill construction facility will hold about 8,500 tons of feed ingredients along with 40,000 sq ft of warehouse storage and a new 2.8-million-bushel grain terminal. Operational in 2023-2024.
- South Beaver Dam – A 30,000 sq ft warehouse and office remodel. Complete.
- Reedsburg – Upgraded liquid facility and 16,000 sq ft warehouse. Complete.
- Fall River - Transload plant with rail unloading capacity and track storage. Complete.
- Center Valley – A complete Agronomy facility and 3.7-million-bushel grain storage facility. Starting in 2023
- Boscobel – 1-million-bushel Load out storage and tracks to load 110-car unit trains. Operational in 2023
- Shawano Agronomy – A 6,600-ton dry plant addition. Complete.
- Deerfield - Dry fertilizer plant expansion. Early 2023.
- South Beaver Dam – Expansion of the liquid fertilizer plant. Early 2023.
- Awarded \$50,000 in scholarships to high school seniors and continuing education students
- Provided \$48,500 to 50 local food pantries, over \$15,000 to local rural health and safety groups, and over \$23,000 to local FFA/4-H chapters and other agriculture related groups
- Ranked 28th on USDA’s Top 100 list of agricultural cooperatives in the United States
- Ranked 22nd on the 2022 CroLife 100 agronomy companies nationally

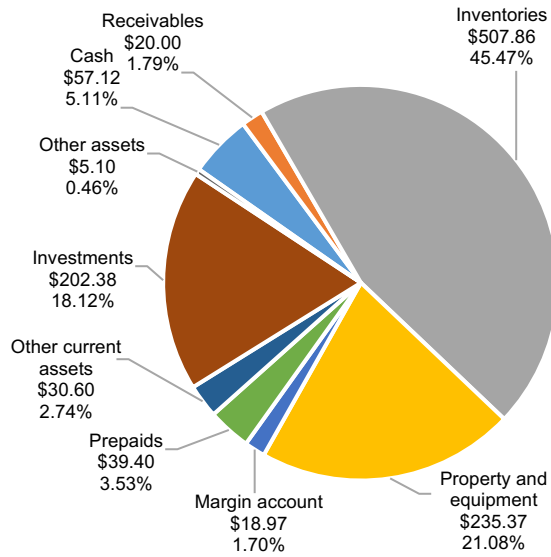
# Balance Sheet

	<u>2022</u>	<u>2021</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$57,116,639	\$23,725,037
Receivables, net	20,002,424	22,050,425
Inventories	507,859,226	439,751,867
Margin account	18,967,977	13,955,505
Unrealized gain on forward contracts	-	1,434,513
Prepaid expenses	39,404,594	53,506,752
Other current assets	<u>30,596,456</u>	<u>3,769,316</u>
<b>Total current assets</b>	673,947,316	558,193,415
<b>Investments and other assets</b>		
Investments	202,376,205	217,103,107
Other assets	<u>5,102,716</u>	<u>6,407,603</u>
<b>Total investments and other assets</b>	207,478,921	223,510,710
<b>Property and equipment</b>	486,502,224	444,759,520
Less accumulated depreciation	<u>(251,126,708)</u>	<u>(232,998,441)</u>
<b>Net property and equipment</b>	235,375,516	211,761,079
<b>Total assets</b>	<b>\$1,116,801,753</b>	<b>\$993,465,204</b>
<b>Current liabilities</b>		
Notes payable	-	\$50,000,000
Current maturities of long-term debt	13,787,000	8,865,000
Accounts payable	83,488,198	32,288,924
Grain payables	96,386,973	74,579,111
Unrealized loss of forward contracts	345,036	-
Accrued expenses	15,577,053	12,554,910
Taxes payable	2,321,160	7,288,966
Patronage refunds payable in cash	31,788,000	9,216,000
Patron prepayments/credit balances	159,621,217	130,642,341
Other	<u>4,481,524</u>	<u>4,789,939</u>
<b>Total current liabilities</b>	407,796,161	330,225,191
<b>Long-term liabilities</b>		
Long-term debt, less current maturities above	74,580,000	81,139,274
Remediation payable	396,000	965,000
Deferred income taxes	<u>779,000</u>	<u>2,168,000</u>
<b>Total long-term liabilities</b>	75,755,000	84,272,274
<b>Total liabilities</b>	<b>\$483,551,161</b>	<b>\$414,497,465</b>
<b>Patron equities</b>		
Preferred equities	196,719,299	194,168,086
Equity credits	130,651,471	131,839,962
Patronage refunds payable in equity	31,788,000	13,824,000
General reserve	<u>274,091,822</u>	<u>239,135,691</u>
Total patron equities	633,250,592	578,967,739
<b>Total liabilities and equities</b>	<b>\$1,116,801,753</b>	<b>\$993,465,204</b>

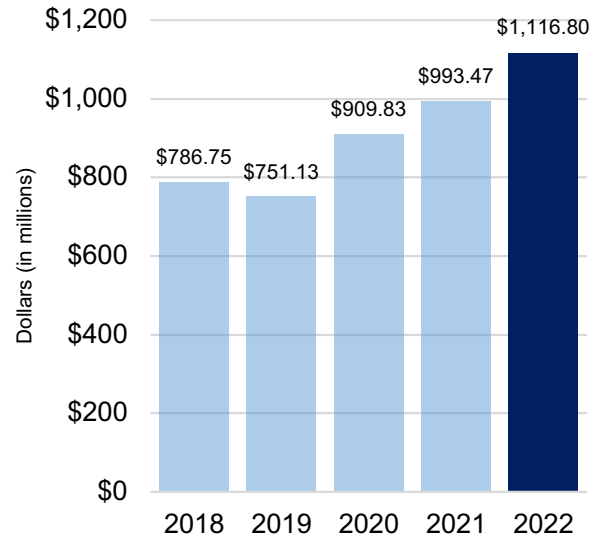


## Assets

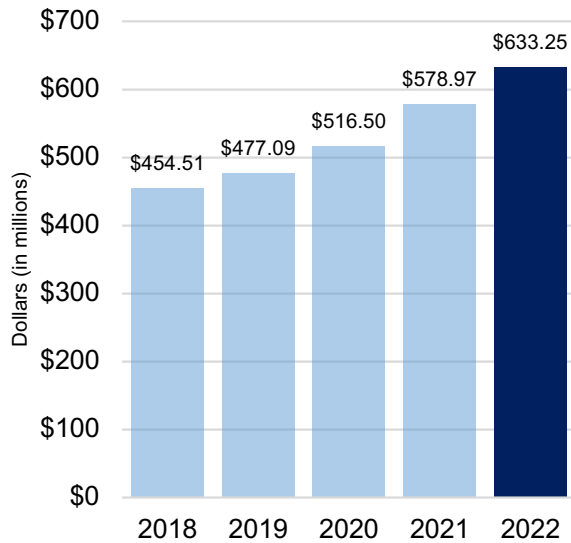
\$1,116,801,753  
(in millions and percentage)



## Total Assets

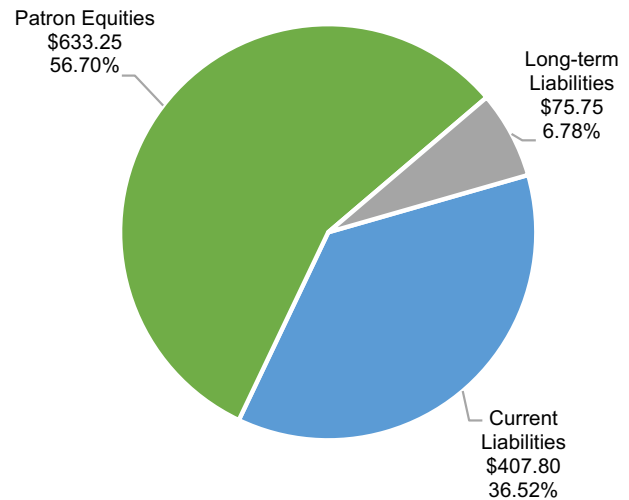


## Patron Equities

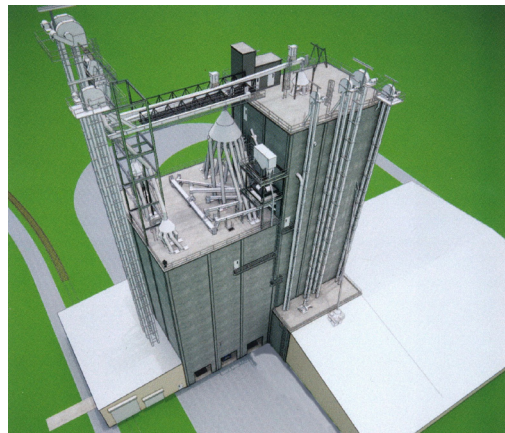


## Liabilities and Patron Equities

(in millions and percentage)



➤ Pictured here is the new Waupun feed mill construction facility which will hold about 8,500 tons of feed ingredients along with 40,000 sq ft of warehouse storage.

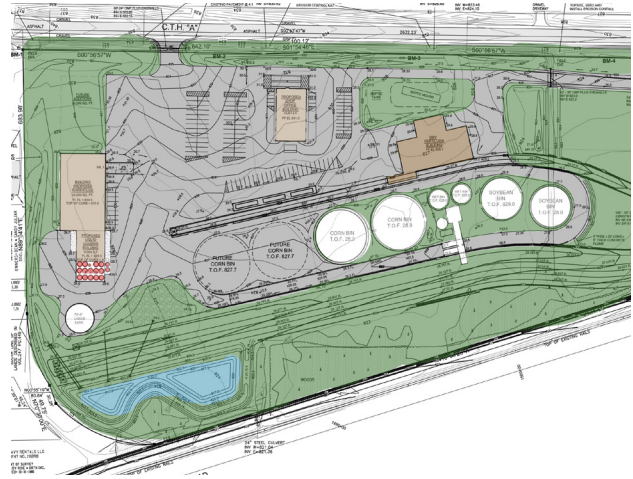
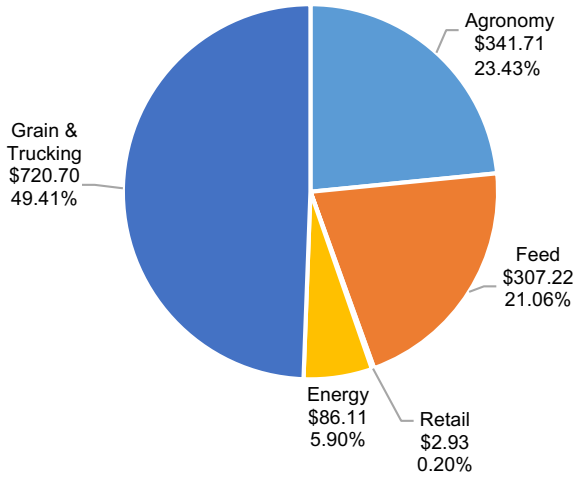


# Statement of Operations

	<u>2022</u>		<u>2021</u>	
<b>Sales</b>	\$1,458,666,545	100.00%	\$1,105,056,017	100.00%
Less discounts	<u>(3,620,676)</u>	<u>(0.25)</u>	<u>(3,225,465)</u>	<u>(0.29)</u>
Net sales	1,455,045,869	99.75	1,101,830,552	99.71
<b>Cost of sales</b>	<u>1,268,554,321</u>	<u>86.97</u>	<u>959,493,723</u>	<u>86.83</u>
Gross margin	186,491,548	12.78	142,336,829	12.88
<b>Operating expenses</b>				
Merchandising expenses				
Salaries and wages	51,491,935		46,239,653	
Less: wages reimbursed	(8,566,141)		(7,924,859)	
Payroll taxes	2,714,932		2,538,395	
Pension expense	1,187,754		986,796	
Employee insurance	4,619,859		4,433,368	
Vehicle expense	11,424,291		8,569,778	
Supplies and licenses	1,283,809		1,310,164	
Utilities	2,758,272		2,614,400	
Repairs and maintenance	3,031,404		2,717,530	
Advertising	288,494		214,984	
Merchandising fee	-		31,522	
Corn dryer expense	2,724,311		2,378,202	
Bean roasting expense	59,268		34,739	
Employee training and travel	41,263		44,996	
Contracted personal	242,012		228,746	
Miscellaneous	<u>(281,960)</u>		<u>(275,080)</u>	
<i>Total merchandising expense</i>	73,019,503	5.01	64,143,334	5.80
<i>Total administrative expense</i>	1,427,572	0.10	1,413,217	0.13
General				
Depreciation and amortization	41,177,724		40,562,576	
Insurance	3,159,210		3,143,042	
Property taxes	1,988,173		2,014,527	
Education, rent and miscellaneous	<u>893,579</u>		<u>858,775</u>	
<i>Total general expenses</i>	47,218,686	3.24	46,578,920	4.22
Interest and other expenses (income)				
Gain on removal of property and equipment	(1,836,668)		(3,372,021)	
Finance charges income	(316,577)		(288,463)	
Purchase discounts	(1,167,999)		(947,166)	
Other revenue	(3,188,182)		(2,305,317)	
Interest expense	4,543,817		2,936,329	
Collection and other expense	<u>956,990</u>		<u>7,612,710</u>	
<i>Total interest and other expenses (income)</i>	(1,008,619)	(0.07)	3,636,072	0.33
<b>Net operating expenses</b>	120,657,142	8.28	115,771,543	10.48
<b>Local net margin</b>	65,834,406	4.50	26,565,286	2.40
Income from affiliates	42,754,529	2.94	42,521,337	3.85
<b>Patronage refunds received</b>	<u>5,773,081</u>	<u>0.40</u>	<u>4,616,473</u>	<u>0.42</u>
<i>Net margin before income taxes</i>	114,362,016	7.84	73,703,096	6.67
<b>Income taxes</b>	<u>7,665,000</u>	<u>0.53</u>	<u>4,305,000</u>	<u>0.39</u>
<b>Net margin</b>	<b>\$106,697,016</b>	<b>7.31%</b>	<b>\$69,398,096</b>	<b>6.28%</b>

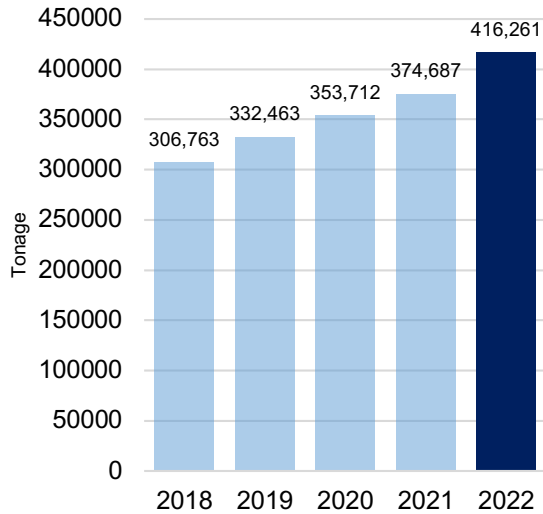
## Total Sales

\$1,458,666,545  
(in millions and percentage)

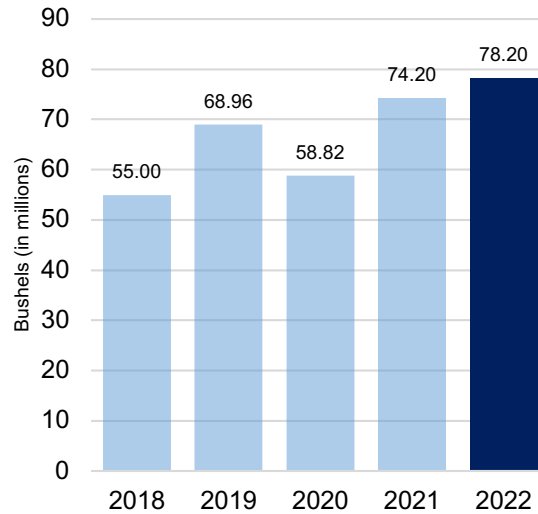


➤ Pictured here is our Center Valley project. This will be a complete Agronomy facility and 3.7-million-bushel grain storage facility.

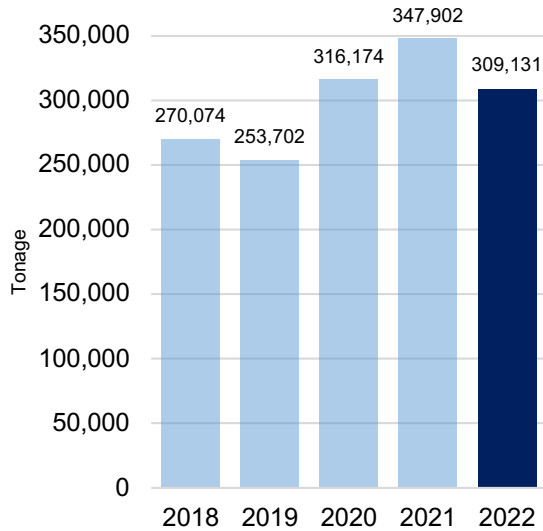
## Feed Volume



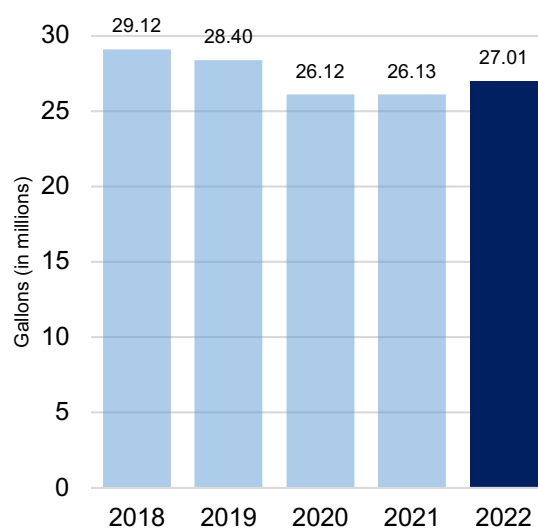
## Grain Volume



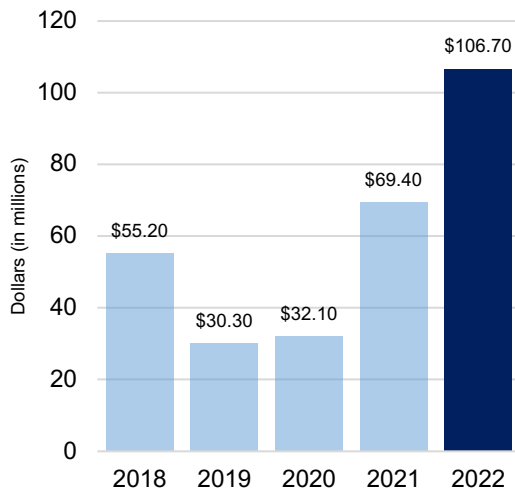
## Fertilizer Volume



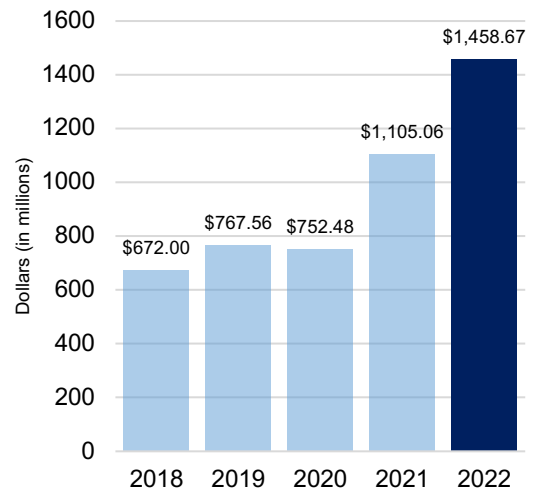
## Fuel Volume



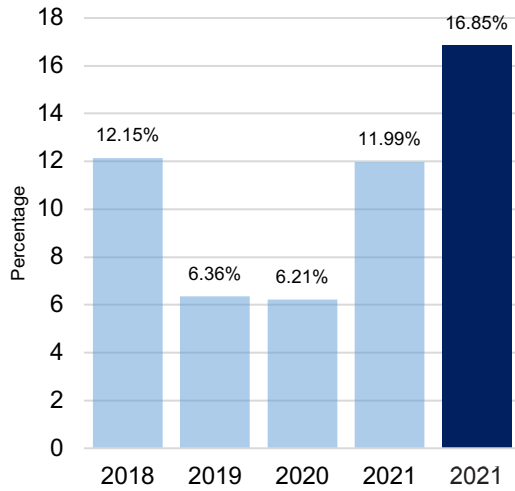
### Net income total for five years



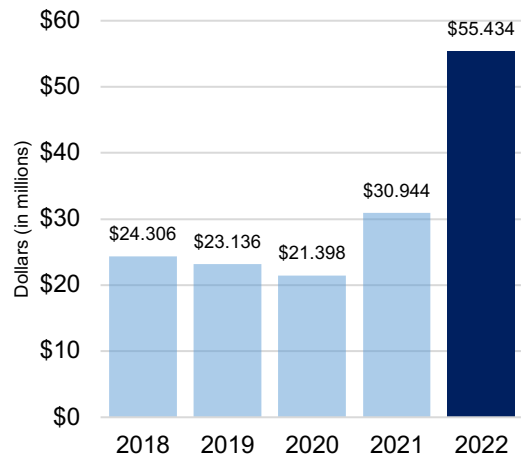
### Annual Sales



### Return on Equity



### Cash returned to members in five years



Relying on United Cooperative means relying on our dedicated, experienced staff. Our employees are our greatest asset and are here to help your operation succeed.



# Net margin based on an average sale of \$100

	<u>2022</u>	<u>2021</u>
<b>Sales</b>	\$100.00	\$100.00
Less discount	(0.25)	(0.29)
Cost of sales	<u>86.97</u>	<u>86.83</u>
Gross margin	12.78	12.88
Merchandising expense	5.01	5.80
Administrative expense	0.10	0.13
General expense	3.24	4.22
Interest and other expense	<u>(0.07)</u>	<u>0.33</u>
<i>Total operating expenses</i>	8.28	10.48
<b>Local net</b>	4.50	2.40
Income from affiliates	2.94	3.85
Patronage refunds received	0.40	0.42
Income taxes	<u>(0.53)</u>	<u>(0.39)</u>
<b>Net margin*</b>	\$7.31	\$6.28

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





# United Cooperative Location Directory

## FEED

Beaver Dam .....	920-885-5522
Denmark .....	920-863-2171
Greenville .....	920-757-6556
Hartford .....	262-673-8960
Sauk City .....	608-643-3345
Shawano .....	715-526-6115
Wilton .....	608-435-6421

## GRAIN

Auroraville North .....	920-361-4854
Auroraville South .....	920-361-3361
Belmont .....	608-762-5976
Boscobel .....	608-375-2800
Denmark .....	920-863-2171
Greenville .....	920-757-6556
Hartford .....	262-673-8960
Hillsboro .....	608-489-4120
Horicon .....	920-485-9707
Johnson Creek .....	920-699-2771
Oconto Falls .....	920-846-4775
Oshkosh .....	920-233-2261
Pulaski .....	920-822-3252
Ripon North .....	920-748-7488
Ripon South .....	920-748-7999
Rock Springs .....	608-524-5246
Sauk City .....	608-643-3345
Shawano .....	715-526-6115
South Beaver Dam .....	920-887-7671
Westfield .....	608-296-3237

## CONVENIENCE STORES

Beaver Dam .....	920-887-1756
Greenville Hwy 76 .....	920-659-4950
Greenville Hwy 15 .....	920-757-5792
Hartford .....	262-673-8960
Pickett .....	920-589-2311
Wilton .....	608-435-6977

## AGRONOMY

Auroraville North .....	920-361-4854
Coleman .....	920-897-4010
Darlington .....	608-776-3860
Deerfield .....	608-764-5454
Denmark .....	920-863-2171
Greenville .....	920-757-6556
Hartford .....	262-673-8960
Hillsboro .....	608-489-3444
Johnson Creek .....	920-699-4990
Mayville .....	920-387-2410
Pickett .....	920-589-2311
Prairie du Sac .....	608-643-2348
Pulaski .....	920-822-3341
Reedsburg .....	608-524-2822
South Beaver Dam .....	920-887-7671
Shawano .....	715-524-8812
Westfield .....	608-296-3237

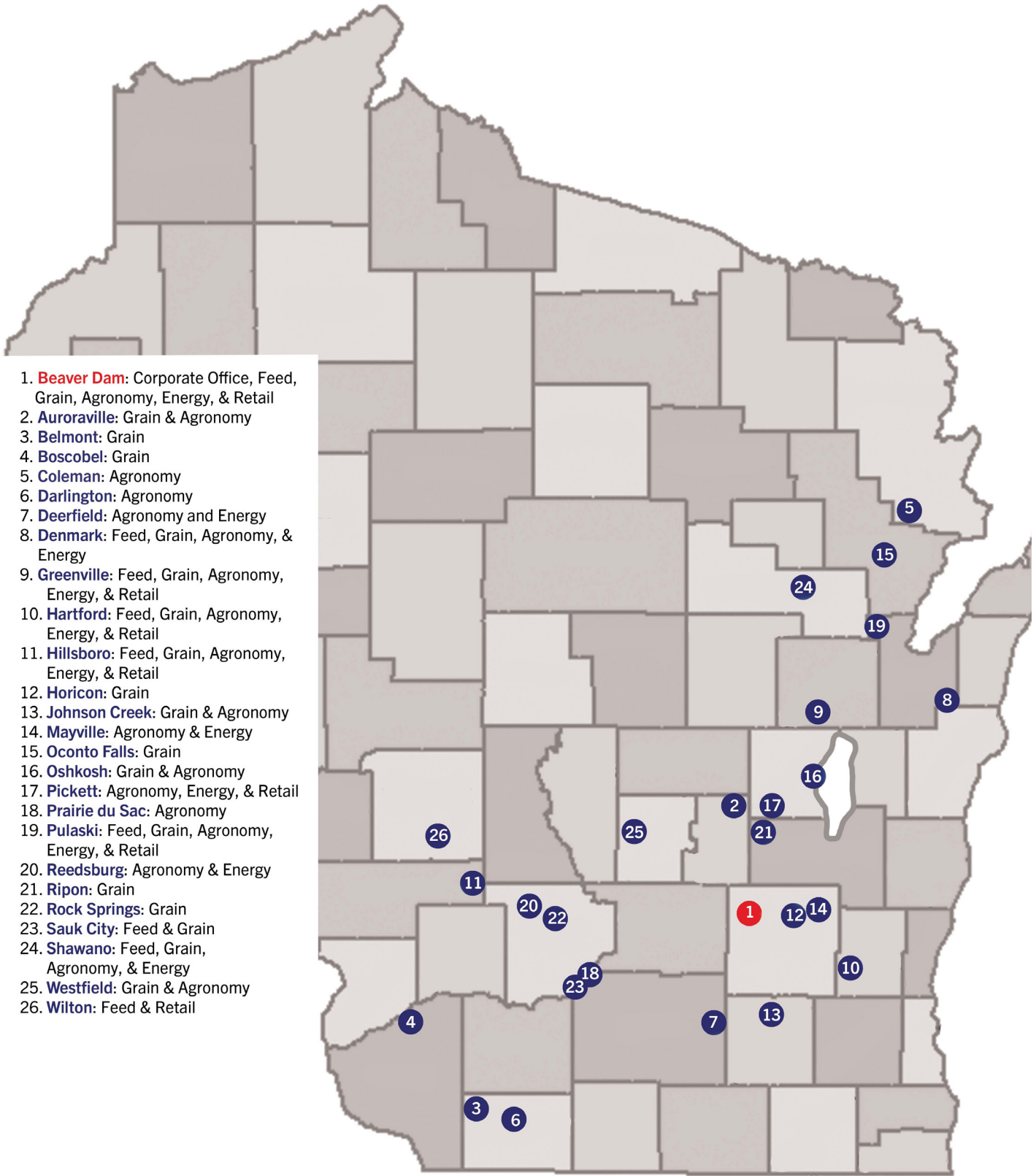
## ENERGY

Beaver Dam .....	920-887-1756
Deerfield .....	608-764-5454
Denmark .....	920-863-2171
Greenville .....	920-757-6556
Hartford .....	262-673-8960
Hillsboro .....	608-489-2231
Mayville .....	920-387-2410
Pickett .....	920-589-2311
Pulaski .....	920-822-3235
Reedsburg .....	608-524-2822
Shawano .....	715-526-3197
Watertown .....	920-262-6770
Wilton .....	608-435-6421

## RETAIL

<i>Hardware</i>	
Hillsboro .....	608-489-2231
Pulaski Ace .....	920-822-6396
Greenville Ace .....	920-659-4950

**Corporate Office** ..... **920-887-1756**



- 1. **Beaver Dam:** Corporate Office, Feed, Grain, Agronomy, Energy, & Retail
- 2. **Auroraville:** Grain & Agronomy
- 3. **Belmont:** Grain
- 4. **Boscobel:** Grain
- 5. **Coleman:** Agronomy
- 6. **Darlington:** Agronomy
- 7. **Deerfield:** Agronomy and Energy
- 8. **Denmark:** Feed, Grain, Agronomy, & Energy
- 9. **Greenville:** Feed, Grain, Agronomy, Energy, & Retail
- 10. **Hartford:** Feed, Grain, Agronomy, Energy, & Retail
- 11. **Hillsboro:** Feed, Grain, Agronomy, Energy, & Retail
- 12. **Horicon:** Grain
- 13. **Johnson Creek:** Grain & Agronomy
- 14. **Mayville:** Agronomy & Energy
- 15. **Oconto Falls:** Grain
- 16. **Oshkosh:** Grain & Agronomy
- 17. **Pickett:** Agronomy, Energy, & Retail
- 18. **Prairie du Sac:** Agronomy
- 19. **Pulaski:** Feed, Grain, Agronomy, Energy, & Retail
- 20. **Reedsburg:** Agronomy & Energy
- 21. **Ripon:** Grain
- 22. **Rock Springs:** Grain
- 23. **Sauk City:** Feed & Grain
- 24. **Shawano:** Feed, Grain, Agronomy, & Energy
- 25. **Westfield:** Grain & Agronomy
- 26. **Wilton:** Feed & Retail

Follow us on  
Social Media:

