

BUILDING A STRONGER COOPERATIVE FUTURE

An aerial photograph of a rural landscape. In the foreground, a large green field is being sprayed by a tractor with a long boom. In the background, there are several large grain silos and farm buildings under a hazy sky.

A member-owned vision for West Tennessee agriculture

Obion • Weakley • Gibson • Henry

SPECIAL CALLED MEMBERSHIP MEETING

WHAT COOPERATIVES ARE INCLUDED IN THE STUDY?



This is not failure. It is foresight.

Each cooperative has served its members well. The responsibility before us is to recognize how agriculture is changing—and act while we have choices.



**STRONG
TODAY**

Prepared
for tomorrow

Together, we can build a stronger cooperative.

Can four locally rooted cooperatives create greater member value, stronger service, and better long-term protection than each can create alone?

That is the standard by which this proposal should be judged.

Agriculture has changed—and scale now matters.

Tighter margins

More pressure on every operating dollar.

Larger competitors

Scale increasingly shapes cost and capability.

Expensive technology

Modern systems require continuing investment.

Higher expectations

Members need speed, expertise, inventory, and reliability.

Standing still is also a decision—and it carries risk.

Together, we already have meaningful regional scale.

≈ **\$150M**

annual sales

≈ **150**

employees

10+

service locations

Scale does not replace local relationships. It gives those relationships stronger support.

Four local legacies. One stronger regional organization.

OBION

WEAKLEY

GIBSON

HENRY

ONE MEMBER-OWNED COOPERATIVE

Shared strength • Local service • Farmer governance

The goal is not sameness. The goal is shared capacity.

The merger protects the cooperative model.

FARMER OWNERSHIP

Members remain the owners.

LOCAL SERVICE

People and facilities remain close to the farm.

MEMBER VALUE

Savings and strength flow back to members.

LONG-TERM STEWARDSHIP

Decisions protect the next generation.

Greater purchasing scale strengthens every negotiation.

More volume

Stronger terms

More member value

Larger commitments can improve vendor discussions, inventory access, freight efficiency, and supplier attention.

Every sustainable dollar gained belongs to the membership.

Shared systems let us spend less on duplication.

TODAY		FUTURE STATE
Four audit programs	→	One coordinated audit approach
Four software environments	→	One modern technology platform
Four insurance programs	→	One stronger risk program
Four reporting structures	→	One shared administrative team

Efficiency means more resources available for service, equipment, people, and member returns.

A regional network can use resources better.

Fleet & equipment

Coordinate specialized assets across a wider territory.

Inventory

Improve availability while reducing unnecessary duplication.

Logistics

Plan deliveries, transfers, and seasonal capacity as one network.

Specialists

Share agronomy, safety, finance, and technology expertise.

Financial strength gives a cooperative more choices.

MORE

working capital

GREATER

borrowing capacity

BETTER

resilience

A stronger organization can invest through difficult cycles—not merely react to them.

Efficiency only matters when it becomes member value.

COMPETITIVE
PRICING

BETTER
SERVICE

MODERN
EQUIPMENT

PATRONAGE
& EQUITY

The objective is not simply to reduce cost. It is to create more value for every member-owner.

A photograph of two men standing in a field. The man on the left is younger, wearing a tan shirt and a baseball cap, holding a tablet. The man on the right is older, wearing a blue denim shirt and a baseball cap, looking at the tablet. A dark pickup truck is parked on a gravel path to the left. The background shows green trees and a clear sky.

LOCAL SERVICE STAYS LOCAL.

Local employees.
Local agronomy knowledge.
Local relationships.
Farmer-elected leadership.

**A stronger organization stands behind
them.**

Governance remains in the hands of farmers.

MEMBERS

elect

DIRECTORS

who govern

THE COOPERATIVE

Each legacy cooperative will share equal representation on the Board of Directors

Protecting member equity is a central reason to act.

Preserve value

Build the earnings capacity that supports the cooperative's obligations.

Support retirement

A stronger, sustainable business is better positioned to retire equity over time.

Member equity

Member equity accounts transfer and remain intact.

Opportunity for success

Stronger balance sheets and margins put the cooperative in the best position to protect your equity. Protecting member equity is atop the list of priorities while working through this merger study.

Scale helps us attract and retain the best employees.

1

Clear career
paths

2

Specialized
roles

3

Stronger
training

4

Better
benefits

5

Leadership
succession

Better-supported employees deliver better service to members.

Modern service requires modern technology.

Precision application

Invest in accuracy and capacity.

Customer tools

Improve access to account and field information.

Data & cybersecurity

Protect information and strengthen controls.

Inventory visibility

See and move products across the region.

Scale helps us weather agriculture's cycles.

STRONG YEARS

Invest and build
reserves

TIGHT YEARS

Absorb pressure and
protect service

RECOVERY

Move quickly when
opportunity returns

The objective is consistent service, and sustainable member returns across the full cycle.

Members should feel a stronger network—not more distance.

More dependable availability

A regional view of products and capacity.

Faster problem solving

Broader expertise available to local teams.

Consistent systems

Clearer processes across every location.

Deeper local capability

Stronger tools behind the people members know.

Success will be measured at the farm gate—not in the home office.

What this merger does—and does not—mean.

IT DOES MEAN

- ✓ A stronger shared balance sheet
- ✓ Coordinated purchasing and operations
- ✓ One member-owned regional organization
- ✓ More capacity behind local service

IT DOES NOT MEAN

- Abandoning cooperative values
- Replacing farmer governance
- Ignoring local relationships
- A promise that nothing will ever change

Members deserve direct answers.

Is someone in trouble?

No. This is a proactive discussion from a position of combined strength.

Will local people still be here?

Local relationships remain essential to success.

Will prices increase?

The goal is stronger purchasing and operating efficiency—not added cost.

What happens to my equity?

All equity that a member holds in any of the 4 cooperatives will transfer and remain intact with the new merged cooperative. We strongly believe that member equity is the top priority of each coop involved in the merger study and this is the best long-term solution to protecting the equity as well as being able to revolve the equity.

Our duty is to strengthen what we inherited.

The question is not whether the cooperative of the past was successful.

It was.

The question is what structure gives the next generation the best chance to succeed.

STRONGER TOGETHER.

LOCAL BY DESIGN.

MEMBER-OWNED ALWAYS.

Building a cooperative future worthy of West Tennessee agriculture.

OBION • WEAKLEY • GIBSON • HENRY