



March 26, 2020

Dear Member,

The WHIP + disaster relief funds were deposited in a segregated Wyoming Sugar Company bank account this morning. We are ready to proceed with the distribution process, but first I wanted to provide you with an overview of how the funds will be allocated among our Growers and the process that we will use to make the distribution.

First, there are three classes of affected Growers:

1. Growers who harvested all their acres (vast majority of our Growers)
2. Grower who abandoned acres and received crop insurance
3. Growers who abandoned acres and did not receive crop insurance

Because the WHIP + funds are designed to be disaster relief to ensure that sugarbeet growers are able to continue to grow sugarbeets for the 2020 crop year, the Board of Directors use the rule of equity to establish an allocation method. Using companywide averages for the beet payment, insurance payments and WHIP + funds, the Board established three tranches of payment.

1. A per net screen ton delivered for processing dollar amount (no quality adjustment). **\$6.53 per ton**
2. A per planted acre dollar amount. **\$75.12 per planted acre**
3. A pool of funds (\$70,000.00) to compensate those acres that were not harvested and did not receive insurance.

The net result is that using Companywide averages and applying the Company beet payment, the WHIP + per ton amount, the WHIP+ planted acre amount, insurance payments (where applicable), and the abandoned acre pool (with no insurance the per acre total compensation for the three classes of Growers is as follow:

1. Growers who harvested all their acres: **\$1,253.49 per acre.**
2. Grower who abandoned acres and received crop insurance: **\$1,253.53 per acre.**
3. Growers who abandoned acres and did not receive crop insurance: **\$1,008.39 per acre.**

Please keep in mind that to arrive at our numbers we did apply the Statewide harvest factor for sugarbeets of 11% to abandoned acres to reflect the savings associated with not harvesting. Also, remember these are averages, so the affect on individual Growers will vary.

The process for receiving the funds will be via an application. We will mail you a packet tomorrow, March 27, 2020. That packet will contain the following forms/items:

1. Application for Relief Funds
2. A break down of your payment amount
3. Release of crop insurance information
4. ACH authorization
5. Share Use Agreements for related entities (if applicable)

The USDA requires that all payments to Growers must be made by ACH. No payments will be made until all the above paperwork is properly completed and accepted by the Company.

In order to ensure that all the information is filled out correctly, beginning April 1, 2020 Bethany Stiver will schedule a phone conference with you to walk you through the paperwork and answer any questions. To manage the scheduling of phone conferences, Bethany is using **Calendly** (an online service) and she will post a link to this service on the Company website and text the link directly to you on Friday.

There are several conditions of receiving the WHIP + funds. First, and foremost all Members and any of their related entities must carry crop insurance on their sugarbeets for the 2021 and 2022 crop years at the 60% level (we have been told the cost is b/n \$10.00 and \$12.00 an acre). If this condition is not met by a Member the Member will be required to payback all the relief funds to the Company who, in turn, will refund them to the USDA. Most of the rest of the conditions have already been met by the Company and are further set out in the Application for Relief Funds. Some of those conditions are the funds cannot be used for lobbying purposes and the Company must distribute 100% of the funds to Members of the Cooperative by December 31, 2020.

If all of you will use the **Calendly** service and set up phone meetings with Beth, you should be able to get your paperwork filled out correctly and back to the Company, so we can review it, and make the payment by the end of April.

Respectfully,



Michael D. Greear
President & CEO