

Unification Update

ALL POINTS COOPERATIVE

Tim Rowe
Chairman
308-325-1358

Seth Gruber
Vice Chairman
308-320-5362

Britt Anderson
Secretary
308-529-1886

Don Anthony
Director
308-325-4670

Jeff Beattie
Director
308-325-0936

Tim Easterday
Director
308-325-1515

John Keller
Director
308-325-1743

Dave Margritz
Director
308-325-6866

BJ Stenger
Director
308-367-7106

Gregg Ralls
Associate Director
308-214-0200

COUNTRY PARTNERS COOPERATIVE

John Frey
Chairman
402-741-1196

George Valasek
Vice Chairman
308-370-1437

Jeffrey P. Waltman
Secretary
308-219-0200

Jim Eschliman
Director
308-750-0974

Travis Heinz
Director
308-750-6316

Steven K. Hornickel
Director
308-730-1347

Bill Dodds
Director
308-550-1079

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Why the Time Is Right to Merge

BY TOD CLARK, CEO, ALL POINTS



"If it ain't broke, why fix it?"

If there was one question that came from our member and employee feedback meetings, that was the question. I want to say that we received extremely positive feedback from the meetings, and

I would like to thank all of you who attended. But, several of you wondered why we were looking to merge when the cooperative was doing so well.

It's a good question, and here's my answer. First, this is a proactive approach. The time to make a move to change is when you're in a position of

strength, not one of need. Both All Points and Country Partners are strong cooperatives with healthy balance sheets, seeking the benefits we will achieve from greater scope and scale.

One important benefit that was a particular focus for both boards was the opportunity to further strengthen our equity retirement efforts. Accelerating that process was a goal for both boards before we entered the merger discussion, and the enhanced earning potential of a combined company should help make that a reality.

The bottom line is, as your businesses continue

Continued on page 2

How Big Is Too Big?

BY RON RUTTEN, CEO, COUNTRY PARTNERS



As we've entered into discussions, commissioned studies, and done our due diligence regarding the proposed merger with All Points Cooperative, I've talked to a lot of people. The feedback I received has, for the most part, been positive. The only negative I keep

hearing is the concern that the resulting cooperative will be too big.

I understand this concern. This is a relationship business. I know you value the cooperative employees you work with and the trust you've built over time. The great news is you're still going to be working with those same people should the merger go through.

As to our size, at the present time Country Partners is the smallest cooperative in our trade area. Based on last year's numbers, if the merger is approved our combined sales would total \$346 million. Sales for two of our neighboring cooperatives, by comparison, were \$1 billion and \$1.5 billion.

Think about how different your farming operations look now compared to your fathers'. Your farm has grown by necessity, and as that has happened, your needs have changed. We have to continue to evolve, too, in order to meet those needs. The cost of capital expenditures continues to rise. A bigger organization is better able to fund the capital improvements necessary to keep pace.

In the long term, this merger will provide greater

Continued on page 2

Answering the Whys and Hows

BY JOHN FREY, BOARD CHAIRMAN, COUNTRY PARTNERS



When any cooperative is considering a merger, there are two major questions that need to be answered for everyone involved—whether patron, employee, board member, or management. The first is, why do we need to consider a merger? The second is connected to the first. How does this particular merger benefit me?

In answer to the first question, Country Partners has been aware for some time that we could not continue in a “business-as-usual” mode forever. Yes, we are financially solid, profitable, and steadily upgrading facilities and rolling stock. But as we look ahead to the next generation, we cannot sustain our

position and remain viable in the face of competition from much larger cooperatives and independents.

Frankly, we’ve looked at other prospective partners in the past. None have come close to being the fit that we’ve found with All Points. From our cultures to our financials to our trade territories, it seems that we were made to be matched.

Now the second question, which was our primary concern in this process. How will our patrons and employees benefit? First, a larger cooperative gives us a better seat at the table when dealing with suppliers and generating savings that can be passed on to our patrons. The strength of our combined balance sheets provides us capital resources that will enable us to take advantage of

opportunities that may come our way—and continue to build an infrastructure capable of delivering the level of service you require. That strength also enables us to transfer your equity—dollar for dollar—to the new cooperative.

From an employee standpoint, we will not be eliminating any positions. In fact, this merger positions us for growth, and growth requires more quality employees, not fewer. A larger cooperative also provides our employees with more opportunities for career advancement.

I compare this merger to planting a tree—you plant today with the thought that the benefits will increase as time passes. This is a future-focused decision—one I hope you will support with your vote. ✨

Country Partners Midway Grain

Why the Time Is Right to Merge Continued from page 1

to change, your cooperative needs to evolve to meet your needs. As I have said before, our goal in this is to create a better cooperative that remains true to our principles and strong for those who own us.

Please don’t hesitate to call or email me with questions about our proposed merger or anything else concerning your cooperative—mobile: 308-631-5876, office: 308-537-7141, and email: tod.clark@allpointscoop.com. ✨

How Big Is Too Big? Continued from page 1

opportunity for our members and for our employees. We believe we’ve found an outstanding partner in All Points, and I would strongly urge you to vote in favor of the merger.

If you have any questions about the merger processes

going forward, or anything else concerning your cooperative, please call 308-497-2266 or email me at rrutten@countrypartnerscoop.com. ✨

Finding a Path to the Future

BY DON ANTHONY, BOARD DIRECTOR, ALL POINTS AND CHS BOARDS

As the farm goes, so goes the co-op. I believe if you asked most farmers, they would agree it would be wonderful if there were a co-op in every town, you could make a living off a quarter of land, and we farmed with a John Deere A. Like it or not, those days are gone. You need size and scale on the farm to generate an adequate income and the hope of bringing on the next generation. The same is true for your cooperative.

I've been on co-op boards since 1984, and I can't remember when the question, "What size is the right size?" hasn't been front and center. The right answer is big enough to get the deals and small enough to stay in touch with our patrons. Our modern reality is that we're in competition with huge cooperatives. If three cooperatives I'm familiar with decided to come together, we would have a company stretching from just south of Canada to the Oklahoma border. Our merger, if approved, will barely put us on the list of the top 10 cooperatives in Nebraska.

In my role as a director on the CHS board, I visit a lot of

cooperatives, of all different sizes, and meet a lot of directors. I've observed many mergers that are difficult from the start. In contrast, there are a lot of things to like about the proposed merger of All Points and Country Partners.

Like us, Country Partners has a very respectful operating philosophy—respectful of patrons, respectful of employees, and respectful of vendors. We've never had a history of rivalry, so there are few barriers to overcome. We've enjoyed our interactions with each other. Also, the efficiencies in this merger won't be achieved by reductions in staff or facilities. It's simply adding two good operations together to gain scale and efficiency. This is the most logical way for both of us to grow.

It's also important to choose a merger partner before one is forced upon us. We have a strong balance sheet—one of the strongest in the state. Other potential partners are heavily leveraged, and would likely use our balance sheet to improve their financial position. That's not good for our patrons. Country Partners, on the other hand, has followed the same fiscally responsible practices and has a similar strong financial footing. This merger will result in a company with a large geographical footprint, making it more difficult for a predatory competitor to gain a foothold or acquire our cooperative.

We want the next generation to have the same opportunities to pool their grain, increase their buying power, and share in the profits. That's the uniqueness of the cooperative system. I believe this merger is an important step toward ensuring that future for our cooperative and the patrons who own it. ✨



All Points
Gothenburg
Grain



A View From the Patrons' Perspective

BY JIM NOVOTNY, COUNTRY PARTNERS PATRON, COMSTOCK, NE



As a patron of Country Partners Co-op for the past 32 years, I was naturally very interested in what a merger with All Points

Cooperative would mean for me and for the co-op. I've learned over the years, and so have many others, that bigger isn't always better. But I've also seen that growth is necessary to remain competitive—which is why I believe this merger is something that needs to be done.

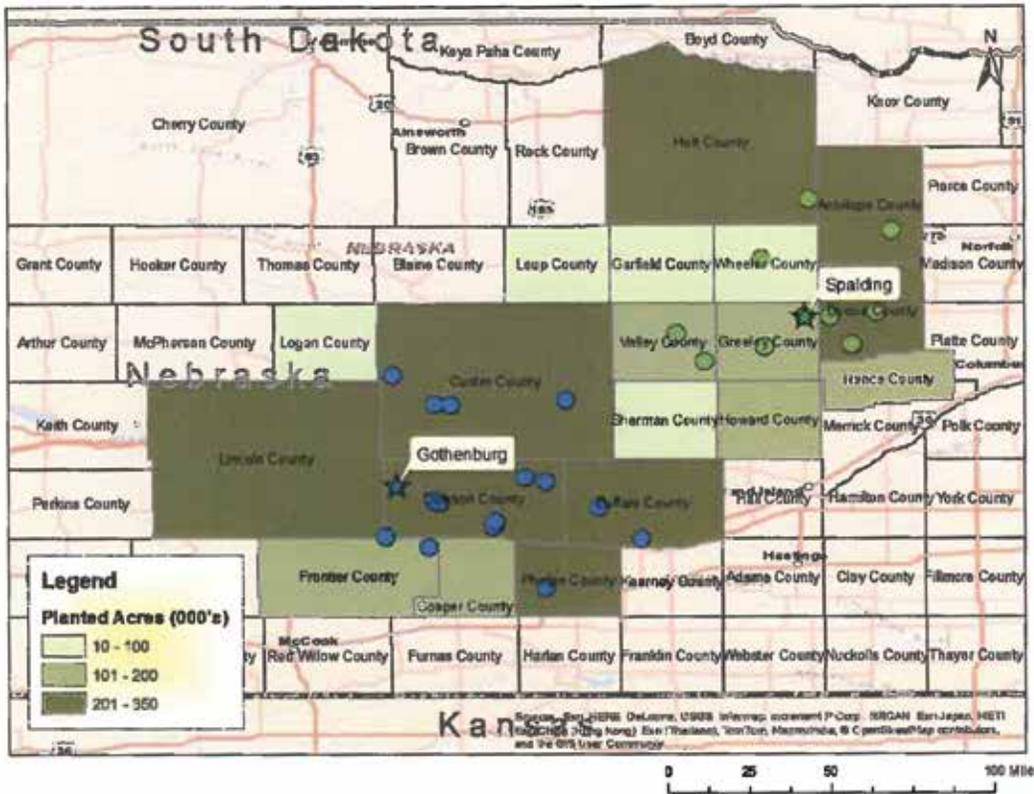
As a crop producer with a small cow/calf herd, input savings are very important to my operation. I'm hopeful that the buying power of a larger merged entity will help them secure better pricing, and that those costs will be passed down to me when I go to purchase seed corn or fertilizer. With the way the world is moving, the co-op needs to keep expanding to stay price competitive. You either keep up or fall out.

I've been pleased with the service I've received from Country Partners, and I

like the fact that we'll continue to work with the same people we've come to rely on. That helps our hometowns remain viable, and that cooperative presence also keeps the competition in check.

All Points appears to be a good choice for a partner, as both cooperatives are similar in size and how they do business. We also share some common borders without a lot of overlap. I believe this merger is something that needs to happen for the future success of both companies. ✨

What is the trade territory?



- 26 combined locations including 19 Agronomy facilities, 9 Grain facilities and 13 bulk fuel locations
- Combined trade territory spans 3.3m acres or **20%** of total NE planted acres in 2014 (Corn, Soybeans & Wheat)

Blue locations = All Points

Green locations = Country Partners

Positioning Us for Growth

BY ERIC ROGERS, NORTH LOUP LOCATION MANAGER, COUNTRY PARTNERS



I've been with Country Partners for 11 years, and this will be the first merger I've experienced in my cooperative career. As an employee and a manager, you hear the concerns of your employees and have some of your own when the merger talk begins. The choice of a merger partner has a big potential impact on your life.

Having watched the process to this point, I'm very happy that our partner is All Points. Both cooperatives are strong organizations looking to become even stronger. The strength of a larger company better enables us to stay current on the technology front and remain price competitive with our inputs. It also gives us a better chance to compete with other employers for the best employees. Keeping top people, as well as attracting the quality workers you need to grow, is challenging in western Nebraska. This merger will help in that area.

Many of us were concerned that a merger with another potential partner could have resulted in a reduction in force and even the closure of some locations—eliminating alternatives for some of our producers. That is not a concern with All Points. There is no duplication of positions,

apart from some senior management. Our trade territories don't overlap, but do adjoin. We have opportunities to grow in the areas that lie between the current footprints of both cooperatives.

I believe this is the right direction for our cooperative—good for us and good for our patrons. If the merger is approved, I anticipate a very smooth transition and some real opportunities down the road. ✨



Employees a Strength of the Potential Merger

BY TIM ROWE, BOARD CHAIR, ALL POINTS

When I do business with my cooperative, I'm not doing business with an organization. I'm dealing with people that I know and trust. So, as I've gone through the process that ultimately led both boards to recommend this merger, I've paid particular attention to the people I've encountered and the feel of their organization.

With that said, it has been a real pleasure to work with the Country Partners board of directors and their CEO, Ron Rutten. In every conversation we had as a combined group, their concern about doing the right thing for their patrons and employees showed up. I've also been

impressed with how members of both groups have looked out for the interests of the others during our discussions. We fit together exceptionally well, and I'm looking forward to the opportunity to work with them in the future.

Culture is extremely important, but isn't the only reason I believe this merger is a good idea. Speed and space needs will only grow in the future, and our combined financial strength will enable us to build facilities that will carry us 20-30 years down the road. As a producer, I see this as a strong positive.

The fact that our employees—the face of our cooperative—will remain in place

and that the equity in both cooperatives will be preserved, dollar for dollar, were important considerations in making our recommendation to merge.

Our goal at this point is to bring this to a vote of both memberships in November. As a true merger, not an acquisition, this needs to be approved by a two-thirds vote of both cooperatives.

If you're in favor of the merger, please don't assume it will pass. Cast your vote. We want all of our owners to have a voice in this decision. ✨



Keeping Us in the Game

BY MATT KORINEK, CALLAWAY LOCATION MANAGER, ALL POINTS



Relevance. That's why I believe this merger is a great thing. The market in which we operate is constantly changing, and that will continue. This merger, if it goes through—and I hope it does—will help us stay relevant and keep us ahead of the game.

Operationally, Country Partners' new North Loup fertilizer hub will be a great asset for those of us in the northern part of the All Points trade territory. It will be more efficient to pull product from North Loup. Our inventory capabilities will improve and we'll be better able to hedge fertilizer and other products. In short, we'll enjoy more resources now with the potential for great improvements going forward.

At the location level, nothing really changes except the name. The merger is extremely employee friendly, which allows us to maintain the relationships we've developed with our customers. The only changes you should see in service will be improvements.

And, as Eric mentioned in his article, as an older generation leaves the ag industry, we need to attract younger talent to this cooperative. This merger will help us do that.

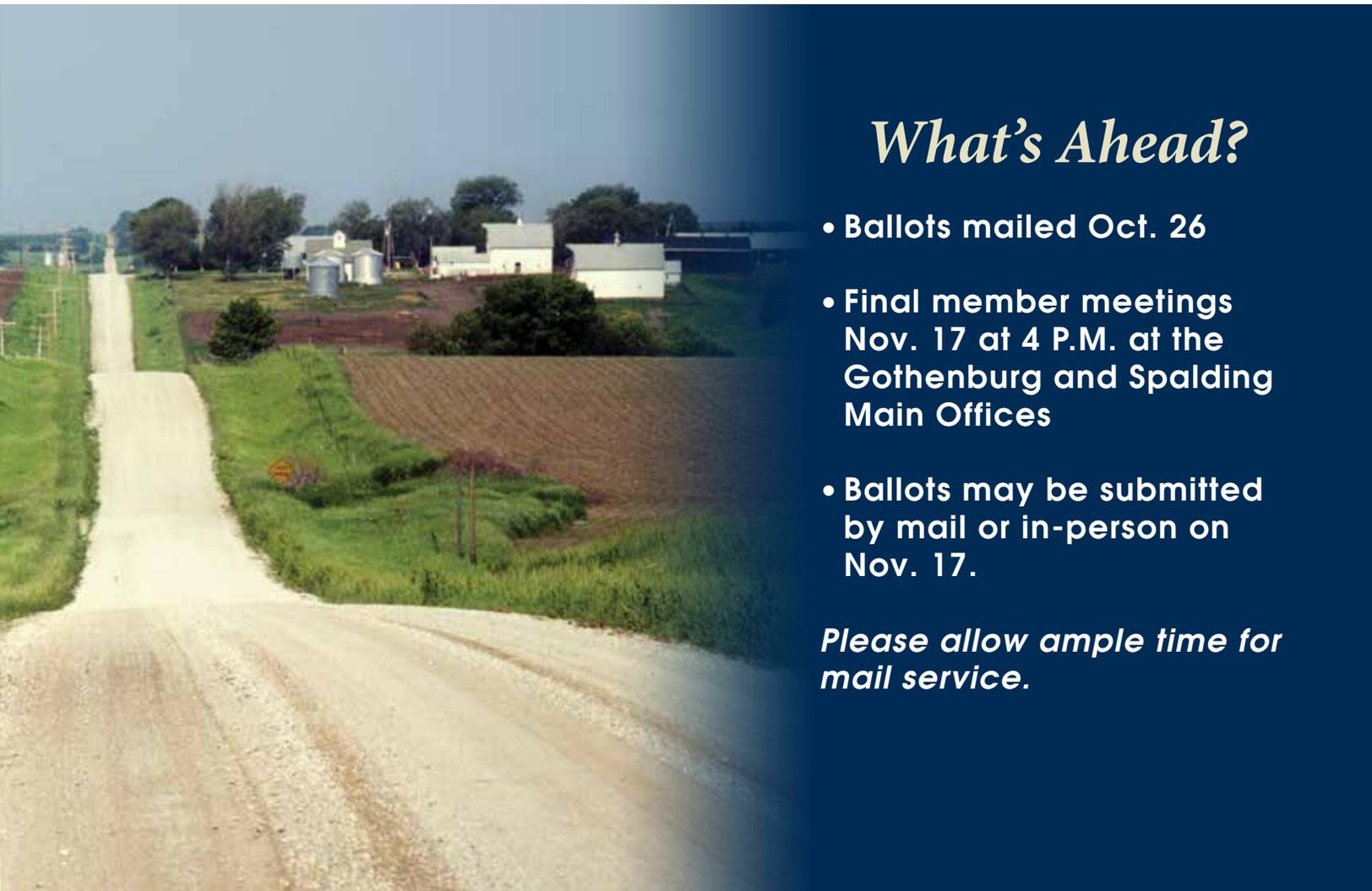
Your vote is important. If you're not sure about where you stand and have questions, please give us a call. This is your cooperative, and we want it to remain strong for the next generation and beyond. ✨





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What's Ahead?

- Ballots mailed Oct. 26
- Final member meetings Nov. 17 at 4 P.M. at the Gothenburg and Spalding Main Offices
- Ballots may be submitted by mail or in-person on Nov. 17.

Please allow ample time for mail service.