

Manager's Notes and Comments

This is our 50th annual meeting and here is a little history on your Co-Op.

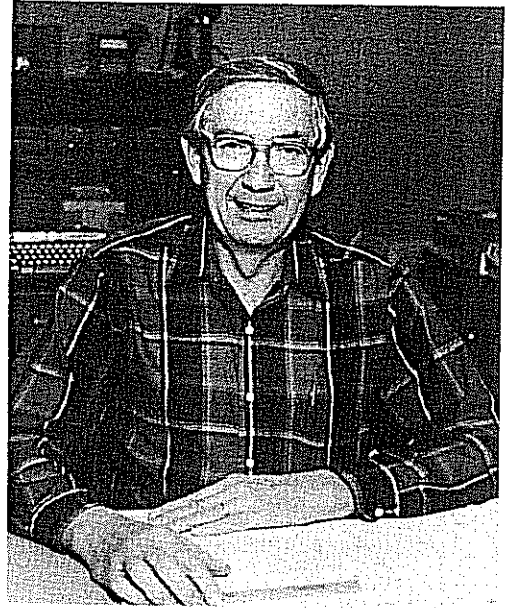
The first farmer-owned grain elevator was established in 1916. They purchased the Rude and Reynolds grain company for \$9000, and started doing business as the Farmers Elevator Company of Ellsworth, Iowa. It was a stock company and shares were sold for \$50 each. In 1916, before buying the Rude and Reynolds grain company they asked contractors to give them bids for construction of a facility to operate in. One of the contractors who bid was Younglove Construction Company who was the contractor that built the first concrete elevator in Ellsworth in 1954, (38 years later).

From 1916 to 1920 the company operated as a stock company and the profits were paid out based on the number of shares each member owned. In 1920 they reorganized the company and operated as a cooperative, basing the refunds on the amount of sales and purchases each share holder did with the company. At the annual meeting in 1920 they amended the by-laws to limit the number of board members to nine and limited the term of office to 3 years with 3 members' terms of office expiring each year. This rule is still in effect with the present company.

This company operated from 1920 to 1936 as a cooperative stock company. In January of 1935 there were only four persons who came to the annual meeting. This was not enough for a quorum, so the meeting was adjourned to a later date. In February of 1935 a meeting was called and directors were appointed and a drive for new members was started. The company reorganized as a membership company with memberships selling at \$10 each. (The price of these memberships is still \$10 in the present company). The assets of the old company were transferred to the new company and the name was changed to the Farmers Cooperative Company of Ellsworth, Iowa. Now the Company has changed its name to the Ellsworth-Williams Cooperative Company, but it is still organized under the same charter that was registered with the state of Iowa in 1935.

The Progress of the Company is as Follows:

- 1935 - Reorganized as a cooperative membership company.
- 1945 - Entered into the refined fuel business.
- 1948 - Purchased the Potgetter Grain Company.
- 1949 - Installed seed cleaning equipment.
- 1950 - Constructed three steel tanks for grain storage - 85,000 bushel capacity.
- 1954 - Constructed the first concrete grain storage - 500,000 bushel capacity, cost \$271,035.
- 1955 - Added L.P. gas and anhydrous ammonia distribution to the business.
- 1957 - Built a new feed mill and installed a new 50 ton truck scale.
- 1959 - Built a new office and added a 400,000 bushel concrete annex and a 1000 bushel per hour grain dryer.
- 1960 - Purchased the Dalbey Lumber Company in Ellsworth.
- 1963 - Built a bulk blend fertilizer plant.
- 1965 - Installed another grain dryer - 1200 bushel per hour capacity.
- 1968 - Added 500,000 bushel more concrete storage and another dryer with 2000 bushel per hour capacity.
- 1973 - Built a new 3000 ton bulk fertilizer blending plant and remodeled the old fertilizer plant into a repair shop.
- 1975 - Purchased the Farmers Elevator Company in Williams, Iowa and changed the name of the company to Ellsworth-Williams Cooperative Company.
- 1975 - Constructed a new 100,000 gallon refined fuel plant.
- 1982 - Purchased the co-op oil station in Ellsworth to use for servicing the company trucks .
- 1982 - Constructed four new steel bins in Ellsworth for soybeans with a total capacity of 400,000 bushels.
- 1984 - Built a new 25 rail car load out system and helped to reconstruct the rail line to Ellsworth.



Paul Valde
General Manager