Central Farm Service, River Region Cooperative, and South Central Grain and Energy Prepare for Member-Vote on Merger

New Ulm, MN (12/22/16) – The board of directors of Central Farm Service (CFS), Owatonna/Truman, Minn.; River Region Cooperative (RRC), Sleepy Eye, Minn.; and South Central Grain and Energy (SCGE), Fairfax, Minn. approved to bring the point of consolidation of the three companies to a member-vote.

“Agriculture continues to dramatically change. The global collapse of prices, volatility of markets, increased regulatory mandates, and overall increase in operating expenses have created an opportunity for three strong cooperatives to create a stronger supply partner for our members,” said Eric Schrader, Board Chairman, CFS.

The cooperatives entered a merger study in September 2016 hypothesizing that a consolidation of the three companies would create opportunities to grow member equity, improve access to capital, mitigate risk across a larger geography, and leverage economies of scale.

“Producers’ needs continue to change, and it is our job as our members’ agricultural cooperative to meet them. This merger will create new opportunities in services and innovations for our members, while providing advanced opportunities for our employee base,” added Bruce Kuelbs, Board President, RRC.

The vote on the proposed merger will be counted on February 21, 2017 with a potential effective date on or before August 1, 2017.

“It is essential our organizations grow to meet the changes and challenges of the future,” said Larry Dean, Board President, SCGE. “This merger allows us to control the change we want to see in our organization, rather than having to react to changes out of our control.”

About Central Farm Service

Central Farm Service was formed by the union of strong, successful, ag-focused cooperatives that shared deep commitments to servicing rural patron customers. CFS’ many locations span the south-central Minnesota and northern Iowa corridor, offering producer and commercial customers innovative products and services in grain, energy, agronomy, and feed.

About River Region Cooperative

River Region Cooperative, founded in 1890, is a full-service agricultural cooperative offering its customers access to grain, energy, agronomy, and feed services in the Sleepy Eye, Minn. region.

About South Central Grain and Energy

South Central Grain and Energy is a farmer-owned and farmer-focused cooperative headquartered in Fairfax, Minn. with locations in Buffalo Lake, Cosmos, Darwin, Fairfax, Gibbon, Hector, and Stewart. SCGE is a full-service cooperative, offering members services in grain, agronomy, energy, and feed.