



Garden City Co-op, Inc.

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April 17, 2007

Dear Members,

The policies of the Garden City Co-op require that I inform the members of significant events as they develop. It is exciting to be able to update you on the many positive changes taking place.

On April 9, 2007 the members of the Ransom Farmers Cooperative Union voted 50-6 to merge with the Garden City Co-op effective June 1, 2007. The Ransom Co-op has a very strong balance sheet, excellent facilities and a committed customer base. The recent drought has made it difficult for their Co-op to be profitable over the last few years.

The courageous management and board decided that it would be in the best interest to look to neighboring co-ops for a way to preserve their financial position and increase the services that could be provided. Our Board was honored that Ransom chose the Garden City Co-op as the partner best able to help them accomplish their goals.

We are excited about this commitment to work together on many levels. The best opportunity comes from our ability to carry a wheat position in the Dighton and Ransom areas as we need to empty out in Garden City and Ulysses for fall harvest. The ability to carry this position was a big contributor to our paying a 14 cent/cwt patronage refund last year. We are optimistic that this can even be enhanced if we return to more typical production as a result of this wonderful moisture we are receiving.

2007 is shaping up to be an excellent year for your local co-op financially. We are following last year's record tying performance with what looks to be an even better year. Our year-to-date profits are ahead of last year and ahead of budget. This has allowed us to increase our working capital and the overall financial strength of your company. There is a lot of time before our year end in August and as we all know many things can take place. It is good to be in a position to take a run through the busy season towards a profitable year for you.

Thank you for your continued support and your commitment to keep "Moving Forward Together".

Sincerely,

John McClelland
General Manager