

October 13, 2011

Dear Blanchard Valley Farmers Co-op Member and Valued Patron,

In our recent history, Blanchard Valley Farmers Cooperative has enjoyed several very good years, both financially and in our ability to provide better products and services to our stockholders. This ability to deliver better services is linked to our strategic addition of assets and equipment, which is, of course, tied to financial successes. Even though we have grown to better serve you, we are still faced with the increased growth of our neighboring competitors, both private firms and cooperatives, who are also vying for your businesses and patronage. This commitment to you and your farming operation is something of which we are very proud of and we remain one hundred percent focused on continuing to improve on our products and services to you.

Because of this commitment, Blanchard Valley Farmers Cooperative Board of Directors and Management have the responsibility of exploring opportunities that present themselves to determine if they will add value to our members, their farming operations, and their co-op. Recently our Board of Directors was presented with an opportunity to engage in preliminary discussions to investigate and establish if there would be significant benefits to a possible consolidation between Luckey Farmers based in Woodville, and Blanchard Valley Farmers Cooperative.


A joint committee of board members and management of these two companies have been formed to explore the benefits of this possible consolidation. The committee's goal is to decide if consolidation between BVFC and Luckey Farmers would make sense and add value for our company and our patrons. This process could take a great deal of time and will involve significant research. Please believe that this process is in the exploratory stage and absolutely cannot happen without required member approval. Please allow our Board of Directors to do its due diligence in this process and, if it eventually gets that far, present the options to you before you come to any conclusions on your own.

I know that the future can sometimes seem uncertain, but rest assured we must proceed in the best interest of our stockholders, employees, and other stakeholders throughout this process. We will continue to communicate with you when information becomes available. If you have any concerns or questions, please feel free to call me or stop in; my door is always open. Additionally, please do not hesitate to talk with any of our board members, who are also extremely involved and informed, as this decision-making process continues.

Sincerely,



Jerry Silveus
General Manager



Thomas E. Wise
Board President