



2024

ANNUAL REPORT



**CENTRA SOTA
COOPERATIVE**

800.229.1464

centrasota.com

Improving lives and creating a more vibrant future for farmers, families, & communities in central MN.

A MESSAGE TO OUR MEMBERS

Congratulations on another strong year for our cooperative!

Another year is in the books! Fiscal year 2024, the 102nd year for Centra Sota Cooperative, ended on 9/30. It was a very challenging year. We totaled sales of over \$206 M, down over \$30 M from 2023, primarily due to lower prices for all the commodities we handle. Some of the major challenges we faced this year include weather, high costs to attract and retain employees, and a very high interest rate environment. Our net margin for the year totaled \$6.2 M, which represents another year of solid financial performance for Centra Sota. We received large patronage payments this year from regional cooperatives that contributed to our results.

This past year we returned a record amount of cash to you, our members, in the form of cash patronage and retirements of equity held in the cooperative. In total, we returned \$3 M in cash to our members this year. This includes equities returned in full for members who have attained the age of 75, which we do each September.

Your continued support and business allow us to return this cash to our members as quickly as we can. We will continue to make this a priority provided our earnings allow for it. We work to achieve a balance that allows us to replace assets as needed, investing in the growth and sustainability of the cooperative. We have several upcoming and in-process projects that will demand significant investments. These initiatives will help ensure that Centra Sota is positioned for success for many years. In 2024 alone we spent almost \$8 M to replace assets and invest in the future growth of your cooperative. These are imperative to innovating, ensuring we can offer the services our customers need to succeed in their operations.

Our vision at Centra Sota is “to improve lives and create a more vibrant future for famers, families, and communities in central Minnesota.” We continue to work with this vision in mind - evaluating our business for opportunities to improve, streamlining to create more efficiencies, assessing innovations to offer the best products and services for customers in each area of our cooperative.



We were honored to be featured in a video about the importance of farmers and rural communities – a collaboration between Land O’ Lakes and TIME. Scan the QR code below to view it. Centra Sota is proud to work in these rural communities, side by side with farmers and local businesses. We continue to invest in these areas, supporting agriculture and various community organizations. The 2024 Ag Careers Field Day was a tremendous success. Held at our Santiago location’s Answer Plot, the event shows students the wide array of opportunities available in agriculture.

As we move into 2025, we anticipate that volatility and challenges will continue. While commodity prices are currently the lowest they’ve been for several years, it’s difficult to predict what lies ahead. Regardless, our mission remains the same – “To be a people-focused cooperative offering honest and helpful information, innovative products, and exceptional service from a reliable team of experts who care.” We will continue to build on our legacy of innovation, integrity, and a commitment to progress.

Thank you for your continued support of Centra Sota Cooperative. We look forward to our 103rd year of serving central Minnesota!



SCAN TO SEE VIDEO



Jeff Johnson
CEO



Charles Krause
Chairman, Board of Directors

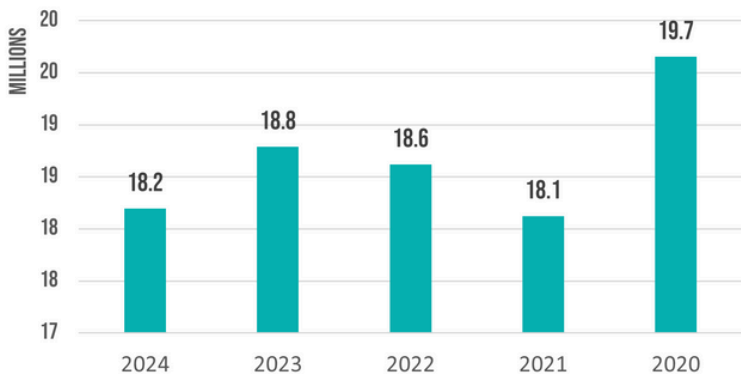


STATEMENT OF OPERATIONS	2024	2023
SALES	\$206,828,931	\$237,623,167
COST OF SALES	<u>\$168,764,604</u>	<u>\$200,685,572</u>
OPERATING REVENUE	\$38,064,327	\$36,937,595
EXPENSES:		
EMPLOYEE EXPENSE	\$17,998,016	\$16,484,074
DEPRECIATION	\$5,176,604	\$4,328,524
INSURANCE	\$933,514	\$943,529
OTHER OPERATING EXPENSES	<u>\$12,008,306</u>	<u>\$12,223,812</u>
TOTAL OPERATING EXPENSES	\$36,116,440	\$33,979,939
NET OPERATING MARGIN	\$1,947,887	\$2,957,656
OTHER INCOME (EXPENSE)		
INTEREST EXPENSE	(\$2,222,647)	(\$1,828,864)
COLLECTION/LEGAL EXPENSE	(\$400,830)	(\$371,027)
PARTNERSHIP INCOME - MLN, LLC.	\$147,378	\$260,145
OTHER REVENUE AND EXPENSE	<u>\$1,669,845</u>	<u>\$1,546,556</u>
NET OTHER INCOME (EXPENSE)	(\$806,254)	(\$393,190)
LOCAL NET SAVINGS	\$1,141,633	\$2,564,466
PATRONAGE INCOME	\$5,963,037	\$4,895,552
NET INCOME BEFORE TAXES	\$7,104,670	\$7,460,018
INCOME TAXES	(\$889,534)	(\$326,725)
NET SAVINGS	\$6,215,136	\$7,133,293

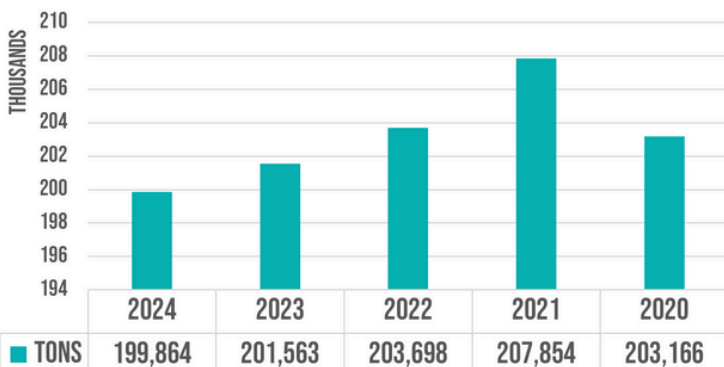
BALANCE SHEET	2024	2023
ASSETS		
CURRENT ASSETS:		
CASH	\$2,205,482	\$598,173
NET RECEIVABLES	\$22,674,979	\$23,278,289
INVENTORY/OTHER CURRENT ASSETS	<u>\$32,926,595</u>	<u>\$37,846,038</u>
TOTAL CURRENT ASSETS	\$57,807,056	\$61,722,500
OTHER ASSETS		
FIXED ASSETS	\$77,629,880	\$73,308,180
LESS: ACCUMULATED DEPRECIATION	(\$46,595,661)	(\$42,521,548)
NET FIXED ASSETS	\$31,034,219	\$30,786,632
INVESTMENTS IN OTHER COOPERATIVES	<u>\$18,317,068</u>	<u>\$16,225,896</u>
TOTAL ASSETS	\$107,158,343	\$108,735,028
LIABILITIES		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	\$11,146,111	\$14,387,640
PATRONAGE DIVIDENDS PAYABLE	\$1,693,906	\$1,629,758
OTHER CURRENT LIABILITIES	<u>\$24,460,493</u>	<u>\$26,080,729</u>
TOTAL CURRENT LIABILITIES	\$37,300,510	\$42,098,127
LONG TERM LIABILITIES	<u>\$8,078,797</u>	<u>\$8,062,409</u>
TOTAL LIABILITIES	\$45,379,307	\$50,160,536
EQUITY		
MEMBER EQUITY	\$29,051,196	\$28,181,537
CAPITAL RESERVE	<u>\$32,727,840</u>	<u>\$30,392,955</u>
TOTAL PATRON EQUITY	\$61,779,036	\$58,574,492
TOTAL LIABILITIES & PATRON EQUITY	\$107,158,343	\$108,735,028

2024

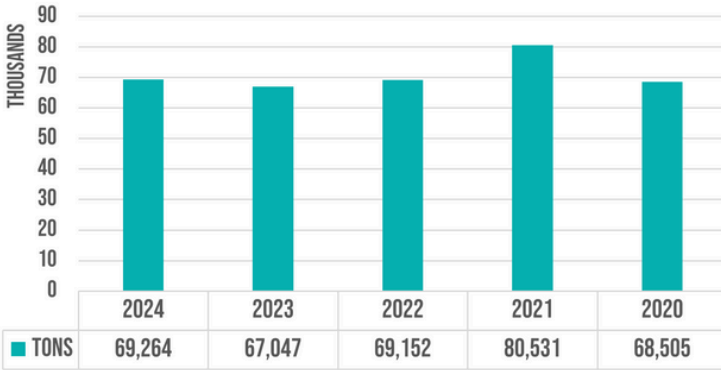
PETROLEUM SALES (GALLONS)



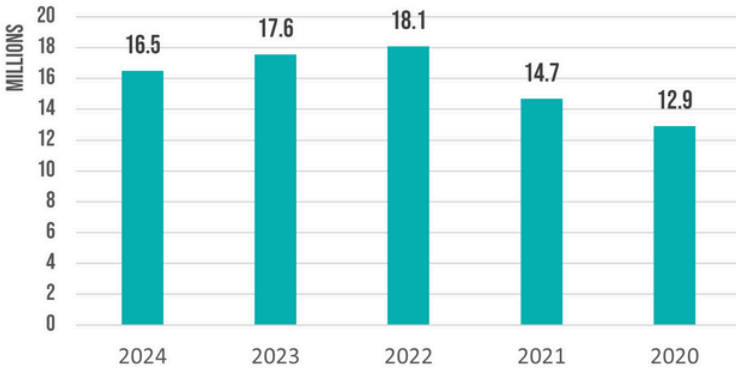
FEED SALES (TONS)



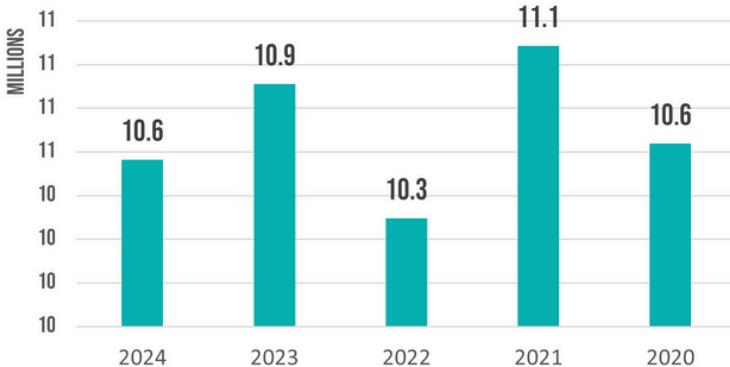
FERTILIZER SOLD (TONS)



CHEMICAL SALES (\$)



SEED SALES (\$)



FIVE-YEAR HISTORICAL INFO

	2024	2023	2022	2021	2020
Sales	\$206,828,931	\$237,623,167	\$237,967,895	\$191,650,005	\$158,850,984
Local Net Savings	\$1,141,633	\$2,564,466	\$2,788,470	(\$3,219,851)	(\$867,542)
Total Net Savings	\$6,215,136	\$7,133,293	\$4,578,389	(\$1,507,323)	\$3,518,668
Cash Returned to Members	\$2,933,189	\$2,076,220	\$782,875	\$1,493,224	\$991,825
Working Capital	\$20,506,546	\$19,624,373	\$18,652,757	\$16,036,695	\$17,887,352
Local Return on Local Equity	2.52 %	5.80%	6.96%	-8.83%	-2.20%
Long-Term Debt to Local Equity	17.80%	18.22%	7.54%	9.67%	10.2%
Employee Efficiency Ratio	45.13%	42.55%	41.00%	45.36%	45.28%

BOARD OF DIRECTORS

Charles Krause	Chairman	Buffalo
Steve Sievek	Vice-Chairman	Brainerd
Bill Holthaus	Secretary	Buffalo
Dennis Lietha	Director	St. Cloud
Rodney Domjahn	Director	Montrose
Ken Welle	Director	Little Falls
Roger Roerick	Director	Upsala
Don Thomes	Director	Paynesville
Vern Willenbring	Director	Albany
Jeff Johnson	CEO	Buffalo
Valerie Megaw	CFO	Buffalo

