



2025 ANNUAL REPORT



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

800.229.1464

CENTRASOTA.COM

A MESSAGE TO OUR MEMBERS

Congratulations on another strong year for our cooperative!

Another year is officially in the books. Fiscal Year 2025—our 103rd year serving central Minnesota—came to a close on September 30. It was a year that truly tested agriculture and cooperatives alike.

Despite significant challenges, Centra Sota Cooperative remained strong. Total sales exceeded \$208M, comparable to 2024, largely due to similar commodity pricing across the products we handle. Like many of you, we faced headwinds from unpredictable weather, rising labor costs, high interest rates, and an extremely low commodity price environment. In fact, prices for most commodities were at their lowest levels in 10 years (or more), creating real financial pressure throughout agriculture.

Even so, your cooperative delivered another solid year of performance. Our net margin totaled \$4.8M, reflecting disciplined management and strong local earnings. While patronage payments from regional cooperatives declined—and are expected to drop further next year—our local operations showed meaningful improvement.

Because of your continued support and business, we are once again able to return cash directly to you, our members. This year, over \$3M was paid out through cash patronage and equity retirements. As a reminder, we also continue our long-standing practice of fully retiring equities each September for members who have reached age 75 and are no longer farming.

Returning value to our members remains a top priority, balanced carefully with the need to reinvest in the cooperative's future. That reinvestment is already well underway. In 2025 alone, Centra Sota invested nearly \$7M in asset replacement and growth initiatives—investments designed to strengthen our operations and expand the services we provide to help your businesses succeed.



One of our most significant projects is a major asset expansion in Albany, scheduled for completion in 2026. We are constructing a new fuel and biofuel blending facility adjacent to our feed mill. This modern site will allow us to consolidate smaller, remote bulk locations into a more efficient operation, dramatically reducing truck load times. It will also feature state-of-the-art fuel pump technology, making fuel more accessible for customers and suppliers. Looking ahead, a planned Phase 2 project will add a multi-use building for truck maintenance, washing, and storage of energy and feed products.

As we move into 2026, volatility and uncertainty will likely continue. While commodity prices remain at historic lows, one thing has not changed – our mission:

"To be a people-focused cooperative offering honest and helpful information, innovative products, and exceptional service from a reliable team of experts who care."

Thank you for your trust, loyalty, and continued partnership. We are proud to serve you and look forward to our 104th year of working together to support agriculture in central Minnesota.



Jeff Johnson
CEO



Charles Krause
Chairman, Board of Directors

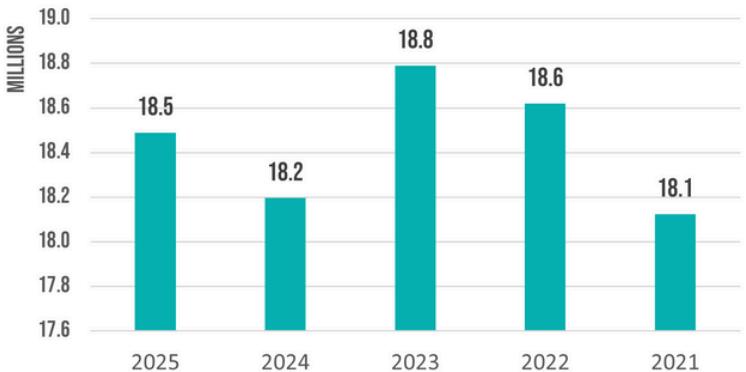


STATEMENT OF OPERATIONS		2025	2024
SALES		\$208,495,947	\$206,828,931
COST OF SALES		<u>\$168,792,304</u>	<u>\$168,764,604</u>
OPERATING REVENUE		\$39,703,643	\$38,064,327
EXPENSES:			
EMPLOYEE EXPENSE		\$19,146,383	\$17,998,016
DEPRECIATION		\$5,780,022	\$5,176,604
INSURANCE		\$1,011,385	\$933,514
OTHER OPERATING EXPENSES		<u>\$10,873,413</u>	<u>\$12,008,306</u>
TOTAL OPERATING EXPENSES		\$36,811,203	\$36,116,440
NET OPERATING MARGIN		\$2,892,440	\$1,947,887
OTHER INCOME (EXPENSE)			
INTEREST EXPENSE		(\$1,900,952)	(\$2,222,647)
COLLECTION/LEGAL EXPENSE		(\$33,694)	(\$400,830)
PARTNERSHIP INCOME - MLN, LLC.		\$197,854	\$147,378
OTHER REVENUE AND EXPENSE		<u>\$1,165,628</u>	<u>\$1,669,845</u>
NET OTHER INCOME (EXPENSE)		(\$571,164)	(\$806,254)
LOCAL NET SAVINGS		\$2,321,276	\$1,141,633
PATRONAGE INCOME		\$2,981,603	\$5,963,037
NET INCOME BEFORE TAXES		\$5,302,879	\$7,104,670
INCOME TAXES		(\$500,519)	(\$889,534)
NET SAVINGS		\$4,802,360	\$6,215,136

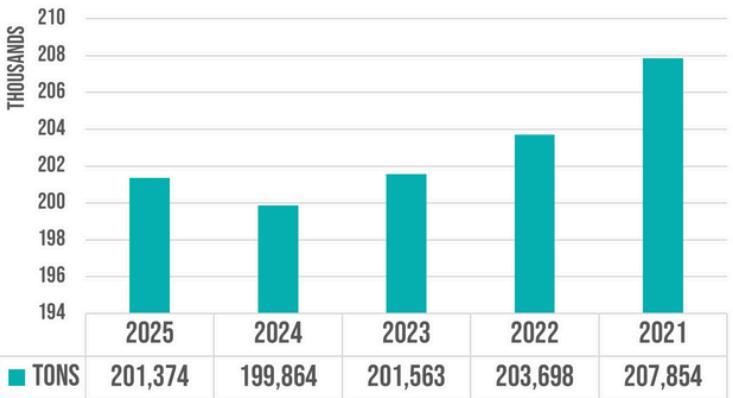
BALANCE SHEET	2025	2024
ASSETS		
CURRENT ASSETS:		
CASH	\$217,810	\$2,205,482
NET RECEIVABLES	\$22,489,989	\$22,674,979
INVENTORY/OTHER CURRENT ASSETS	<u>\$38,004,883</u>	<u>\$32,926,595</u>
TOTAL CURRENT ASSETS	\$60,712,682	\$57,807,056
OTHER ASSETS		
FIXED ASSETS	\$81,167,264	\$77,629,880
LESS: ACCUMULATED DEPRECIATION	<u>(\$51,092,935)</u>	<u>(\$46,595,661)</u>
NET FIXED ASSETS	\$30,074,329	\$31,034,219
INVESTMENTS IN OTHER COOPERATIVES	<u>\$18,032,057</u>	<u>\$18,317,068</u>
TOTAL ASSETS	\$108,819,068	\$107,158,343
LIABILITIES		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	\$12,972,282	\$11,146,111
PATRONAGE DIVIDENDS PAYABLE	\$1,025,200	\$1,693,906
OTHER CURRENT LIABILITIES	<u>\$23,187,497</u>	<u>\$24,460,493</u>
TOTAL CURRENT LIABILITIES	\$37,184,979	\$37,300,510
LONG TERM LIABILITIES	<u>\$7,410,547</u>	<u>\$8,078,797</u>
TOTAL LIABILITIES	\$44,595,526	\$45,379,307
EQUITY		
MEMBER EQUITY	\$28,816,533	\$29,051,196
CAPITAL RESERVE	<u>\$35,407,009</u>	<u>\$32,727,840</u>
TOTAL PATRON EQUITY	\$64,223,542	\$61,779,036
TOTAL LIABILITIES & PATRON EQUITY	\$108,819,068	\$107,158,343

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PETROLEUM SALES (GALLONS)

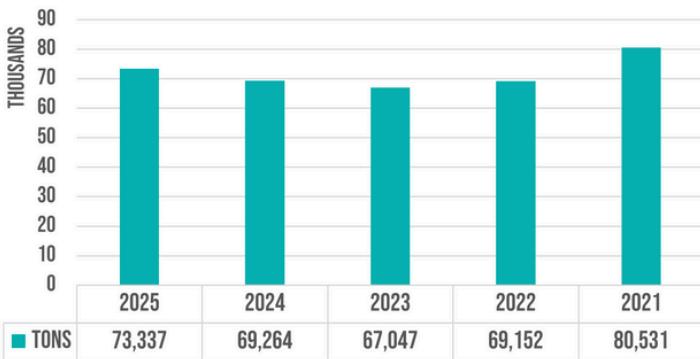


FEED SALES (TONS)

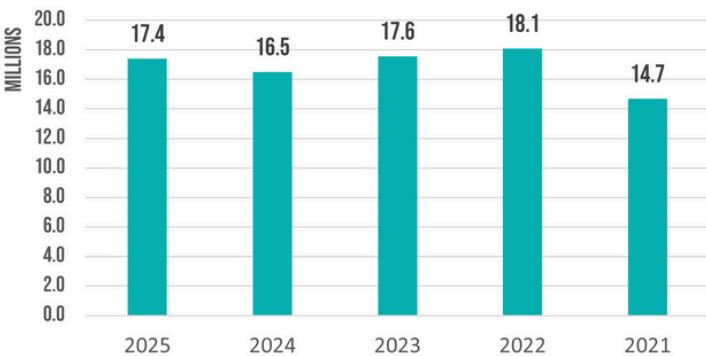


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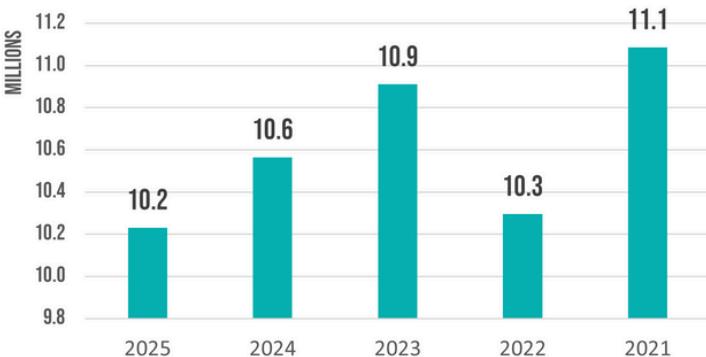
FERTILIZER SOLD (TONS)



CHEMICAL SALES (\$)



SEED SALES (\$)



FOUR YEAR HISTORICAL INFORMATION

	2025	2024	2023	2022
Sales	\$208,495,947	\$206,828,931	\$237,623,167	\$237,967,895
Local Net Savings	\$2,321,276	\$1,141,633	\$2,564,466	\$2,788,470
Total Net Savings	\$4,802,360	\$6,215,136	\$7,133,293	\$4,578,389
Cash Returned to Members	\$3,032,397	\$2,933,189	\$2,076,220	\$782,875
Working Capital	\$23,527,703	\$20,506,546	\$19,624,373	\$18,652,757
Local Return on Local Equity	4.82%	2.52%	5.80%	6.96%
Long-Term Debt to Local Equity	15.39%	17.80%	18.22%	7.54%
Employee Efficiency Ratio	46.62%	45.13%	42.55%	41.00%

BOARD OF DIRECTORS

Charles Krause	Chairman	Buffalo
Steve Sievek	Vice-Chairman	Brainerd
Bill Holthaus	Secretary	Buffalo
Peter Ewing	Director	Big Lake
Clay Montgomery	Director	St. Michael
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

