Great Western Co-op gets SEC recognition

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The Securities Exchange Commission accepted the final prospectus of the Great Western Producers Cooperative at 7:30 p.m. Friday. The action means the co-op is now effective with the SEC.

In announcing the action, Lee Johnson, executive secretary of the Mountain State Beet Growers Federation told the Tribune the action meant the co-op could now accept new membership.

"For the past several months the co-op could not accept memberships under SEC regulation," Johnson said. "The co-op was able only to receive letters of intent to join. These people will now be sent regular memberships and asked to sign.

Johnson also indicated that the SEC action allows for the machinery of the sale to go into effect at once. "The co-op may now begin to sign acreage in the seven states affected. The addendums attached to the Great Western Sugar contracts, which includes more than 250,000 acres may now be signed transferring the contract to the co-op."

Johnson said the co-op will begin sending the final prospectus and additional addendums to growers in the next few days.

"I urge growers to sign and return the addendums as soon as possible. The sooner the growers own the company, the sooner they will be able to realize the profits from the sugar," Johnson said.

Johnson said the sugar remaining unsold at the time of the closing would be purchased by the co-op at the cost of production. He estimated that more than half of the sugar would probably still remain, if the sale were completed near the end of April.

Johnson indicated the months of July, August and September are the biggest sales months for sugar. He attributed this to the increased manufacture of ice cream, soft drinks and canning.

Johnson said that the co-op would be required to have signed at least 190,000 acres in the seven states by present members of the co-op before the closing would take place. But Johnson said he expected more than 250,000 acres to be signed by the co-op as the new memberships are accepted.

"Once the addendums are in, I'd estimate that the sale would probably close within 7 to 10 days," Johnson noted.

The closing would probably take place in late April or early May. "By the time the addendums and the prospectus are sent out, signed, returned and tabulated, I wouldn't be surprised if the closing would take place near the end of April," Johnson explained.

When asked if Great Western United had extended the sales date, which was to expire at the end of March, Johnson indicated that it was his understanding the company had agreed to the extension. "The company will probably release this information officially this weekend," Johnson said.