

Doug Archer

Docket #GW18-001

[REDACTED]
Humboldt, SD 57035

I offer this information to keep my name clear and free of innuendo and any financial responsibility. I was hired and began my employment on October 1, 2017. Prior to my arrival on October 1st I had several conversations with the senior management team about the need for a line of credit of approximately [REDACTED] and the need and ability to hedge grain properly as it was being purchased and sold. Upon my arrival on October 1st all we had was a line of credit of [REDACTED] and the balance at or [REDACTED], we had nearly no capacity available to us at the beginning of harvest in 2017. I was forced to sell grain to pay our payroll, vender bills and buy grain. As money got too tight the ownership would periodically borrow money to keep the organization a float. Because we did not hedge or have a line of credit we had maximum exposure to risk and loss. We specifically talked about Cobank and Farm Credit Services; I was told Cobank only works with cooperatives. I was also told Farm Credit Services was not an option because our historical financial performance. I continued to ask and advise senior management that we needed a line of credit that would give us the ability to buy and sell grain properly as the rest of the industry does and limit risk. I told senior management that if we are not hedging grain properly our risk exposure was very great and that it would limit our ability to maximize grain margins which would directly impact our financial viability. I was also told by senior management that the manager before me asked for the same consideration but it never came to pass. I am concerned that senior management doesn't understand the importance of mitigating risk by hedging and/or doesn't have the financial capacity and desire to operate like a very large percentage of commodity based companies do.

It has also come to my attention that senior management has accused me of causing all the problems surrounding this inquiry and investigation by the PUC & USDA. I have been accused of stealing on several occasions and accused of having an inappropriate affair or sexual encounter with our commodity grain accountant. When she cancelled her plans for vacation in July 2018 we were accused of doing something nefarious such as stealing grain. These accusations are absolutely false. Senior management is blaming me for all their short comings, I have been employed for only 10 short month and they want to put the blame on me. This organization and senior management has been losing money and had problems with compliance with the PUC and USDA long before I arrived; over four years. I also have been told that the last time the PUC was involved; around July 2017, the manager before me was terminated because he was stealing. I do not know any of the facts but this seems very coincidental and maybe the way senior management handles adversity and its short comings.

I am sure I have made mistakes; I am not a thief, but the systemic problems with this organization are not caused by me, they are caused by senior management's lack of understanding and commitment to correcting and investing properly.