



Battle River Railway

SHORTLINE RAILWAY COOPERATIVE

A New Generation





A NEW GENERATION CO-OPERATIVE

This means we have 4 types of shares:

Membership Shares

-must be an active farmer to be a member

Delivery Shares

-must be a member to own delivery shares

Investment Shares

-anyone can own

Patronage Shares

-issued to members based
on grain deliveries



MEMBERSHIP BENEFITS

Members are eligible for patronage dividends on their grain deliveries

Members can purchase delivery shares to earn cash dividends and enhance their patronage dividend rewards

Members can attend and vote on matters at AGM's and any other special member meetings

Members can put their name forward to sit on the Board of Directors and help shape the future of BRR

Shares cost \$1000 and their principal is guaranteed.

DELIVERY SHARES

-Receive annual cash dividends of 3.5%

-Earn up to 10% in patronage dividends

-Ideally suited for active producers who do regular business with BRR

-Each share represents 100mt of annual deliveries, but there is no obligation on the shareholders behalf

-Shares cost \$5000 and their principal is guaranteed.





INVESTMENT SHARES

- Receive annual cash dividends of **3.5%**
- Stay invested locally
- Shares cost **\$1000** or **\$10,000** and their principal is guaranteed.

PATRONAGE DIVIDENDS

The current **BRR** policy is to allocated ~ **50%** of annual profits to patronage

Delivery shares are first in line for patronage. If they receive their full allotment (**\$500/share**), then the balance of patronage will be allocated to members based on deliveries.

Patronage can be distributed through cash, tax deferred patronage shares, or a combination.

Tax deferred patronage shares are a tax expense for the co-op when issued, but are income for the member only when turned into cash.

These can't be turned into cash for at least 5 years from time of issuance.



CONTACT US

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EXAMPLES

EXAMPLE #1

Farmer Joe owns **4 Class B shares** and delivered **800mt** of grain to BRR between Oct 1, 2021 and Sept 30, 2022.

He earns $\$10/\text{mt} \times 800\text{mt} = \8000 just for being a member

He earns $\$/5\text{mt} \times 400\text{mt} = \2000 for delivering 100mt per B share

He will receive 20% (\$2000) in cash (taxable) and \$8000 in shares
(not taxable until the shares are redeemed for cash)

His class B shares also pay him 3.5% regular cash dividends (\$700)

EXAMPLE #2

Farmer John owns **10 Class B shares** and delivered **100mt** to BRR last year

He earns $\$10/\text{mt} \times 100\text{mt} = \1000 just for being a member

He earns $\$/5\text{mt} \times 100\text{mt} = \500 for delivering enough grain to fulfill his obligation on 1 B share

His class B shares also pay him 3.5% regular cash dividends (\$1750)

