

Summary of October 24 and 25 meetings

Union's position:

- Continues to demand free health insurance – no annual premiums
- Fails to address their members' most important issue – job security associated with subcontracting.

American Crystal's amendments to the Final Offer:

- Reinforces job security in the offer
- Preserves free health care insurance for 14 months

American Crystal Sugar came into this week's negotiation session with high expectations of reaching a major breakthrough in the lockout that is approaching its fourth month. Despite public comments by the union regarding significant movement, their offer failed to adequately address the issues identified by both parties as being the keys to reaching an agreement. Their new offer had no change in position whatsoever regarding the issue of subcontracting and job security. In the area of health care they offered very minor changes but continue their demands for free health care insurance.

Based on the failure of union leadership to adequately address these issues, it appears that they have no sense of urgency in getting our employees back to work.

American Crystal Sugar continued to bargain in good faith, making a substantial move by addressing the two issues union leaders have repeatedly identified as their most significant concerns. The Company offered to revise the subcontracting language to guarantee that no employee or position will be eliminated due to subcontracting. The Company also offered to delay by a year implementation of the transition to the management health care plan.

This amended offer provides our employees an opportunity to get back to work under a fair agreement. The details of this amended offer can found on acscontracttalks.com.