

Farmers' Cooperative Association Income Tax Return

OMB No. 1545-0051

For calendar year 2005 or tax year beginning, 2005, ending, 20

2005

▶ See separate Instructions.

A Identify below the cooperative's business activity with most total receipts (see instructions).

Please Type or Print

Name _____

Number, street, and room or suite no. (If a P.O. box, see instructions.) _____

City or town, state, and ZIP code _____

B Employer identification number _____

C Check if a consolidated return (attach Form 851)

D Type of cooperative
 Tax exempt Nonexempt

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

Income	1a Gross receipts or sales _____	b Less returns and allowances _____	c Bal ▶	1c	
	2 Cost of goods sold (Schedule A, line 9)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4a Patronage dividends and per-unit retain allocations (attach schedule)			4a	
	b Dividends (Schedule C, line 17)			4b	
	5 Interest			5	
	6 Gross rents			6	
	7 Gross royalties			7	
	8 Capital gain net income (attach Schedule D (Form 1120))			8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			9	
	10 Other income (see instructions—attach schedule)			10	
11 Total income. Add lines 3 through 10.			11		
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)			12	
	13 Salaries and wages (less employment credits)			13	
	14 Repairs and maintenance			14	
	15 Bad debts			15	
	16 Rents			16	
	17 Taxes and licenses			17	
	18 Interest			18	
	19 Charitable contributions (see instructions for 10% limitation)			19	
	20a Depreciation (attach Form 4562)	20a			20c
	b Less depreciation claimed in Schedule A and elsewhere on return	20b			20c
	21 Depletion			21	
	22 Advertising			22	
	23 Pension, profit-sharing, etc., plans			23	
	24 Employee benefit programs			24	
	25 Domestic production activities deduction (attach Form 8903)			25	
	26 Other deductions (attach schedule).			26	
	27a Total deductions. Add lines 12 through 26			27a	
	b Subtract line 27a from line 11			27b	
	c Deductions and adjustments under section 1382 (Schedule H, line 4)			27c	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27c from line 27b			28		
29 Less: a Net operating loss deduction (see instructions).	29a			29c	
b Special deductions (Schedule C, line 18)	29b			29c	
30 Taxable income. Subtract line 29c from line 28 (see instructions if Schedule C, line 11, was completed)			30		
Tax and Payments	31 Total tax (Schedule J, line 10)			31	
	32a 2004 overpayment credited to 2005	32a			
	b 2005 estimated tax payments	32b			
	c 2005 refund applied for on Form 4466	32c ()			
	d Bal ▶	32d			
	e Tax deposited with Form 7004	32e			
	f Credit from figuring tax for years in which nonqualified per-unit retain certificates or nonqualified written notices of allocation (redeemed this year) were issued (see instructions)	32f			
	g Credit for Federal tax on fuels (attach Form 4136).	32g			32h
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>			33	
	34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35		
36 Enter amount of line 35 you want: Credited to 2006 estimated tax ▶			36		
			Refunded ▶		

Schedule A Cost of Goods Sold (see instructions)

1 Inventory at beginning of year	1	
2 Purchases	2	
3 Cost of labor	3	
4 Per-unit retain allocations paid in:		
a Qualified per-unit retain certificates	4a	
b Money or other property (except nonqualified per-unit certificates)	4b	
5 Nonqualified per-unit retain certificates redeemed this year	5	
6a Additional section 263A costs (attach schedule)	6a	
b Other costs (attach schedule)	6b	
7 Total. Add lines 1 through 6b	7	
8 Inventory at end of year	8	
9 Cost of goods sold. Subtract line 8 from line 7. Enter here and on line 2, page 1	9	
10a Check all methods used for valuing closing inventory:		
(i) <input type="checkbox"/> Cost as described in Regulations section 1.471-3		
(ii) <input type="checkbox"/> Lower of cost or market as described in Regulations section 1.471-4		
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation) ▶		
b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶		<input type="checkbox"/>
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶		<input type="checkbox"/>
d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO	10d	
e If property is produced or acquired for resale, do the rules of section 263A apply to the cooperative?		<input type="checkbox"/> Yes <input type="checkbox"/> No
f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation.		<input type="checkbox"/> Yes <input type="checkbox"/> No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Deduction ((a) × (b))
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Debt-financed stock of domestic and foreign corporations (section 246A)		See instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries (section 245(b))		100	
9 Total. Add lines 1 through 8. See instructions for limitation			
10 Dividends from certain affiliated group members and FSCs that are subject to the 100% deduction		100	
11 Dividends from controlled foreign corporations subject to the 85% deduction (attach Form 8895)		85	
12 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 10, or 11.			
13 Income from controlled foreign corporations under subpart F (attach Form 5471)			
14 Foreign dividend gross-up (section 78)			
15 IC-DISC and former DISC dividends not included on lines 1, 2, and/or 3 (section 246(d))			
16 Other dividends			
17 Total dividends. Add lines 1 through 16. Enter here and on line 4b, page 1 ▶			
18 Total special deductions. Add lines 9, 10, and 11. Enter here and on line 29b, page 1 ▶			

Schedule E

Compensation of Officers (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4a through 10, of page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of association's stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	Total compensation of officers				2
3	Compensation of officers claimed in Schedule A and elsewhere on return				3
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1.				4

Schedule H Deductions and Adjustments Under Section 1382 (see instructions)

1	Dividends paid on capital stock (section 521 cooperatives only)	1		
2	Nonpatronage income allocated to patrons (section 521 cooperatives only)	2		
3	Patronage dividends:			
a	Money	3a		
b	Qualified written notices of allocation	3b		
c	Other property (except nonqualified written notices of allocation)	3c		
d	Money or other property (except written notices of allocation) in redemption of nonqualified written notices of allocation	3d		
e	Other (attach schedule)	3e		
4	Total. Add lines 1 through 3e. Enter here and on line 27c, page 1	4		

Schedule J Tax Computation (see instructions)

1	Check if the cooperative is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/> Important: Members of a controlled group, see instructions.			
2a	If the box on line 1 is checked, enter the cooperative's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):			
	(1) \$ _____ (2) \$ _____ (3) \$ _____			
b	Enter the cooperative's share of:			
	(1) additional 5% tax (not more than \$11,750) \$ _____			
	(2) additional 3% tax (not more than \$100,000) \$ _____			
3	Income tax	3		
4	Alternative minimum tax (attach Form 4626)	4		
5	Add lines 3 and 4	5		
6a	Foreign tax credit (attach Form 1118)	6a		
b	Other credits (see instructions)	6b		
c	General business credit. Check box(es) and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____	6c		
d	Credit for prior year minimum tax (attach Form 8827)	6d		
7	Total credits. Add lines 6a through 6d	7		
8	Subtract line 7 from line 5	8		
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach schedule) <input type="checkbox"/> Form 8902	9		
10	Total tax. Add lines 8 and 9. Enter here and on line 31, page 1	10		

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other investments (attach schedule)				
7	Other current assets (attach schedule)				
8a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
9a	Depletable assets				
b	Less accumulated depletion	()		()	
10	Land (net of amortization)				
11a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
12	Other assets (attach schedule)				
13	Total assets				
Liabilities and Capital					
14	Accounts payable				
15	Mortgages, notes, bonds payable in less than 1 year				
16	Other current liabilities (attach schedule)				
17	Mortgages, notes, bonds payable in 1 year or more				
18	Other liabilities (attach schedule)				
19	Capital stock: a Preferred stock				
	b Common stock				
20	Additional paid-in capital				
21	Patronage dividends allocated in noncash form (other than capital stock and interest-bearing obligations)				
22	Per-unit retains allocated in noncash form				
23	Retained earnings (Schedule M-2)				
24	Adjustments to shareholders' equity (attach schedule)				
25	Less cost of treasury stock		()		()
26	Total liabilities and capital				

Note: The cooperative is not required to complete Schedules M-1 and M-2 if the total assets on line 13, col. (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)			
1	Net income (loss) per books		7 Income recorded on books this year not included in this tax return (itemize):
2	Federal income tax per books		Tax-exempt interest \$
3	Excess of capital losses over capital gains
4	Income subject to tax not recorded on books this year (itemize):
5	Expenses recorded on books this year not deducted in this return (itemize):		8 Deductions in this tax return not charged against book income this year (itemize):
a	Depreciation . . . \$		a Depreciation \$
b	Charitable contributions \$		b Charitable contributions \$
c	Travel and entertainment \$
6	Add lines 1 through 5		9 Add lines 7 and 8
			10 Income (line 28, page 1)—line 6 less line 9

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 23, Schedule L)			
1	Balance at beginning of year		5 Distributions: a Cash
2	Net income (loss) per books		b Stock
3	Other increases (itemize):		c Property
		6 Other decreases (itemize):
		7 Add lines 5 and 6
4	Add lines 1, 2, and 3.		8 Balance at end of year (line 4 less line 7)

Schedule N Other Information (see instructions) **Note.** *Items 1 through 10b apply to section 521 cooperatives only; the remaining items are applicable to all filers.*

1 Has the cooperative engaged in any activities not previously reported to the IRS? (If "Yes," attach a detailed description of these activities.)	Yes	No	<input type="checkbox"/> Method 1—Did the cooperative use the operations of members for those months that correspond to the months that make up its tax year?	Yes	No
2 Have any changes not previously reported to the IRS been made in the cooperative's organizing or governing documents? (If "Yes," attach a copy of the changes.)	Yes	No	<input type="checkbox"/> Method 2—Did the cooperative use the tax years of members that end within its tax year?	Yes	No
3 Number of shares of capital stock (other than nonvoting preferred) owned by—	Yes	No	<input type="checkbox"/> Method other than 1 or 2 above— Explain ▶	Yes	No
a Producers	Yes	No	11 Enter amount of business done for the U.S. Government or its agencies ▶ \$	Yes	No
b Current and Active producers	Yes	No	12 Were patronage dividends allocated based on a written obligation in existence before the cooperative received for sale agricultural products from patrons and/or before it furnished supplies, equipment, and services to patrons?	Yes	No
c Nonproducers	Yes	No	If "Yes," attach an explanation of the obligation and whether it is in the cooperative's organizing document(s) or bylaws.	Yes	No
4 May persons other than producers acquire voting stock or otherwise become members?	Yes	No	13 At any time during the 2005 calendar year, did the cooperative have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank, securities, or other financial account)? If "Yes," the cooperative may have to file Form TD F 90-22.1	Yes	No
5 Were nonmembers charged the same as members for marketing and purchasing?	Yes	No	If "Yes," write the name of the foreign country ▶	Yes	No
6 Were patronage dividends paid to all patrons, both member and nonmember, on the same basis?	Yes	No	14 During the tax year, did the cooperative receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the cooperative may have to file Form 3520.	Yes	No
7 Value of agricultural products marketed or handled for:	Yes	No	15 Enter tax-exempt interest received or accrued during the tax year ▶ \$	Yes	No
a Members—(1) Actually produced by such members \$	Yes	No	16 Method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual	Yes	No
(2) Not actually produced by such members but marketed by them through this cooperative \$	Yes	No	c <input type="checkbox"/> Other (specify) ▶	Yes	No
b Nonmembers—(1) Actually produced by such nonmembers. \$	Yes	No	17 Is the cooperative a subsidiary in an affiliated group or a parent-subsidiary controlled group?	Yes	No
(2) Not actually produced by such nonmembers but marketed by them through this cooperative \$	Yes	No	If you checked "Yes," enter the name and employer identification number of the parent corporation	Yes	No
c Nonproducers—(purchased from nonproducers for marketing by this cooperative) \$	Yes	No	18 At the end of the tax year, did any individual, partnership, corporation, estate or trust, own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If yes, complete a and b below	Yes	No
8 Value of supplies and equipment purchased for or sold to:	Yes	No	a Attach a schedule showing name and identifying number. (Do not include any information already entered in 17 above.)	Yes	No
a Members who were producers, \$	Yes	No	b Enter percentage owned ▶	Yes	No
b Nonmembers who were producers \$	Yes	No	19 If the cooperative has an NOL for the tax year and is electing to forgo the carryback period, check here <input type="checkbox"/>	Yes	No
c Nonproducers, \$	Yes	No	If the cooperative is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3)(i) or (ii) must be attached or the election will not be valid.	Yes	No
9 Does the cooperative allocate income from business done for the U. S. or its agencies to all patrons? (If "Yes," attach a statement explaining how patronage dividends are allocated (as between producer patrons and purchaser patrons).)	Yes	No	20 Enter the available NOL carryover from prior tax years (do not reduce by any deduction on line 29a) ▶ \$	Yes	No
10 Federated cooperatives only:	Yes	No		Yes	No
a Are all of this cooperative's member cooperatives exempt under section 521?	Yes	No		Yes	No
b If "No," do the nonexempt member cooperatives have the same annual accounting period as this cooperative's? If "No," check the box that identifies the method that the cooperative used, or will use, to provide a common or comparable unit of time for analyzing and evaluating its operations and those of its members. (Note. <i>The methods listed do not apply to the filing of returns or the manner in which operating results are reported by a federated cooperative and its members.</i>)	Yes	No		Yes	No

The books are in the care of ▶ Phone no. ▶ ()
 Located at ▶

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Date	Title		May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
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Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Phone no. ()	