



November 20, 2025

Hon. John Boozman, Chair

Hon. Amy Klobuchar, Ranking

Subcommittee on Commodities, Derivatives, Risk Management, and Trade

Subcommittee on Rural Development, Energy & Credit

U.S. Senate Committee on Agriculture, Nutrition, and Forestry

Hon. Glenn “GT” Thompson, Chair

Hon. Angie Craig, Ranking

Subcommittee on General Farm Commodities, Risk Management & Credit

Subcommittee on Commodity Markets, Digital Assets & Rural Development

U.S. House Committee on Agriculture

**Re: Extensive antitrust, fraud, criminal coercion, insider trading and other violations by agriculture co-operative giant CHS, Inc.**

1. I am a lawyer representing farmer and whistleblower Dennis Carlson<sup>1</sup> with important disclosures concerning **CHS, Inc.**,<sup>2</sup> a Fortune 100<sup>3</sup> company with historical annual revenue \$35-45 billion and historical annual net income ~\$1-2 billion. Headquartered in Minnesota, CHS is the largest agricultural cooperative in the United States, with nearly 600,000 farmer and local co-op Member owners, and advertises itself as “Farmer-Owned.”<sup>4</sup> For almost 90 years since the Great Depression, CHS patronage payments have been fundamental to the finances of many, many American farmers.
2. **Criminal conspiracies:** My client has irrefutable documentary evidence<sup>5</sup> that CHS leadership unlawfully pushed through recent bylaw changes—very harmful for farmers and local co-ops— on the basis of **fraud, material misrepresentations, insider trading** on CHS Preferred Stock, unlawful activities to **suppress competition**, and **criminal coercion**, with Member-owner harms on the scale of **~\$400 million annually**. The details of these criminal

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<sup>1</sup> Mr. Carlson served on the Board of Directors of CHS, Inc. from 2001 to 2019. He still receives his health insurance from CHS and makes this disclosure as a lawful whistleblower protected against retaliation by CHS, including against cancellation of his health insurance.

<sup>2</sup> See <https://www.chsinc.com/en>.

<sup>3</sup> See <https://www.50pros.com/fortune500> for list without payroll.

<sup>4</sup> See <https://www.chsinc.com/about-us/owners-and-investors>.

<sup>5</sup> Please be advised that although the undersigned, as counsel, has prepared this disclosure for submission, my client reviewed its contents and the positions espoused herein are his own. Thus, where a factual statement is asserted and does not include a citation to a supporting document or declaration, the source is my client.

schemes are described in Exhibit 1 to this letter, a disclosure we previously filed with the Department of Justice.

3. **Motives:** The motives for all of this are simple: further, **massive consolidation** of the U.S. agricultural sector inside CHS, enabling **higher compensation** for a tiny handful of CHS senior executives. And it worked. Last week, on November 5, 2025, CHS announced its first post-fraud financials for FY2025 — and the effects on American farmers were stark:

- a. **Cash paid directly to farmers will drop 90%**, from over \$300 million in FY2025, to only \$30 million for FY2026.<sup>6</sup> And that \$30 million, split among 600,000 American farmers, is actually less than the \$30,620,101 CHS paid its top 5 executives and Board of Directors last year.<sup>7</sup> CHS CEO Jay Debertin’s 2025 total compensation, standing alone at \$13.3 million, is nearly half the total cash paid to the entire national membership.

	2026	2025	2024
	(Dollars in millions)		
Patronage distributed in cash .....	\$ 30.0	\$ 300.3	\$ 366.0

- b. **Patronage lies:** During the fraudulent campaign to pass new bylaws, CHS leadership promised that a failure to pass the new bylaws would mean that prior patronage equity, normally paid out in ~13 years, would not be paid for over 50 years. See Exhibit 1. But that was false. In fact, after the fraudulent bylaw change, CHS dramatically cut the amount of prior patronage equity redemptions, which will extend the number of years till redemption. Specifically, **prior year deferred patronage equity redemptions paid to farmers will drop 69%**, from \$287.7 million in FY2025 to only \$90 million in FY2026.<sup>8</sup>

Board of Directors, we expect total redemptions related to the year ended August 31, 2025, which will be distributed in fiscal 2026, to be approximately \$90.0 million. This amount is classified as a current liability on our August 31, 2025 Consolidated Balance Sheets. During the years ended August 31, 2025, 2024 and 2023, we redeemed in cash, outstanding owners' equities in accordance with authorization from the Board of Directors, in the amounts of \$287.7 million, \$355.9 million and \$495.8 million, respectively.

- c. **Tax lies:** CHS leadership repeatedly promised members that the new bylaws meant “**no new taxes.**” (Details available in Exhibit 1.) But that was a lie. Despite domestic **income which dropped 40%**, from \$1 billion to \$610 million from FY24 to FY25, nevertheless federal **taxes dramatically increased by \$42.1 million!** Below you can see CHS’s reporting on domestic income, current federal taxes (which increased \$26.6

<sup>6</sup> FY2025 Form 10-K, CHS, Inc., Nov. 5, 2025, page F-24, available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000823277/000082327725000039/chscp-20251105.htm>

<sup>7</sup> *Id.* at page 64, 72.

<sup>8</sup> *Id.* at page F-24.

million) and deferred federal taxes (which increased \$15.5 million; note that special tax credits mean deferred taxes are typically negative).

Domestic income before income taxes was \$610.6 million, \$1.0 billion and \$2.0 billion for the years ended August 31, 2025, 2024 and 2023, respectively. Foreign income before income taxes was \$4.1 million, \$66.9 million and \$55.4 million for

The provision for income taxes (benefit from) for the years ended August 31, 2025, 2024 and 2023 is as follows:				
	2025		2024	
	(Dollars in thousands)			
Current:				
Federal	\$	48,229	\$	21,608
Deferred:				
Federal		(48,079)		(63,605)

4. **Double taxation.** The cause for such dramatically higher taxes this year is simple: After the fraudulent bylaw change, instead of paying out profits to farmer members, CHS could hold back vastly more profits for the corporation itself. And by retaining the money for itself, CHS subjected it to double taxation. In its filing last week, CHS itself admitted lower member patronage was to blame.<sup>9</sup>

Primary drivers of fiscal 2025 income tax expense were decreased patronage deductions, compared to fiscal 2024,

- a. **Immediate consolidation:** Soon after the bylaw change was approved by the membership, CHS successfully **purchased West Central**,<sup>10</sup> a large local cooperative, proving that CHS intended to exploit the fraudulent bylaw changes to **consolidate market power**.<sup>11</sup>
5. **Protected Disclosures:** We first filed these disclosures with the Securities and Exchange Commission (“SEC”) and Commodity Futures Trading Commission (“CFTC”). A CFTC Commissioner recently called CHS “a **recidivist**,” and urged stronger penalties against the company for its repeat offenses.<sup>12</sup> Both the SEC and CFTC urged us to file these disclosures with the Department of Justice (“DOJ”) Antitrust Division, and the Attorneys General of

<sup>9</sup> *Id.* at page F-23

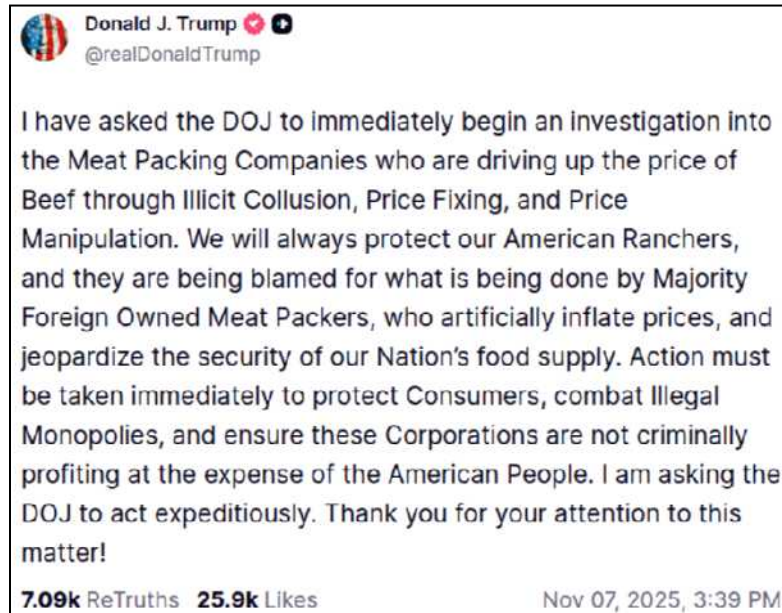
<sup>10</sup> See <https://www.greatamericancrop.com/news-resources/article/2025/01/03/chs-west-central-225m-merger-final>.

<sup>11</sup> After the fraudulent bylaw change, CHS also publicly attempted to merge with GrowMark, the fourth largest agricultural cooperative in the United States. Although the GrowMark deal ultimately fell apart, the announcement of the negotiations indicates that consolidation is a high priority for CHS, and the bylaw change makes such consolidation efforts more likely to succeed in the future. See <https://www.prnewswire.com/news-releases/growmark-and-chs-enter-into-exploratory-process-to-discover-opportunities-to-best-serve-customers-and-owners-302033705.html>.

<sup>12</sup> See <https://www.cftc.gov/PressRoom/SpeechesTestimony/romerostatement122022>.

Minnesota and North Dakota, which we did on October 16, 2025. That latter filing, enclosed here in redacted form as **Exhibit 1**, describes CHS's unlawful conspiracies in detail.

6. **Priority for Law Enforcement:** In September 2025, DOJ Antitrust Division announced a Memorandum of Understanding with the U.S. Department of Agriculture “to protect competition in key agricultural markets.”<sup>13</sup> The Senate began investigating market manipulation in fertilizer.<sup>14</sup> And last week, the President announced a new DOJ effort to attack monopolization in meat packing.<sup>15</sup>



7. We urge your committees to immediately open investigations into these matters. You may reach me using the contact information below.

Sincerely,

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Enclosure: Redacted Disclosure to DOJ MN ND, October 16, 2025

<sup>13</sup> <https://www.justice.gov/opa/pr/justice-department-and-usda-coordinate-protect-competition-agricultural-inputs>

<sup>14</sup> See <https://www.agweb.com/news/policy/ag-economy/fertilizer-price-fire-monopoly-or-markets-blame>.

<sup>15</sup> See <https://truthsocial.com/@realDonaldTrump/posts/115510343852481018>.

<sup>16</sup> Admitted to practice law in Washington, DC.