

AMERICAN CRYSTAL SUGAR COMPANY

**CODE OF ETHICS
AND
BUSINESS CONDUCT**

To Our Employees, Officers and Directors:

Ethical business practices provide a critical foundation for our success and protect our reputation in the industry and community. Integrity in the manner in which we manage and operate American Crystal Sugar Company and its wholly-owned subsidiary, Sidney Sugars Incorporated (together, the “Company”) is a key element in our corporate culture. We place a high value on honesty, fair dealing and ethical business practice.

The following Code of Ethics and Business Conduct (“Code”) is designed to help you understand what the Company expects of its employees, officers and directors. It does not cover every ethical issue, but the basics are here to help your general understanding. For employees, compliance with the Code is a condition of employment. This Code supplements and does not replace or modify the Company’s other policies or procedures, including provisions of the Company’s current employee handbook(s) and other statements of policy or procedure issued from time to time, or any applicable collective bargaining agreement.

Ethical behavior is everyone’s responsibility. You must show that responsibility by

- Knowing and complying with the requirements and expectations that apply to your job, which includes following this Code.
- Promptly reporting suspected violations of law or this Code.
- Cooperating with any investigation of a potential ethics or business conduct violation.
- Seeking assistance when you have questions about this Code or when faced with a challenging ethical situation.
- Never acting unethically, even if directed by another person to do so.
- Never retaliating against an individual because that individual has reported a suspected violation of law or this Code.

We encourage open communications regarding the possible violation of the Company’s ethical principles and business practices.

TABLE OF CONTENTS

Honest and Ethical Conduct

Compliance with Laws and the Code of Ethics and Business Conduct	1
Responsibility of Officers	1
Company Opportunities	1
Conflicts of Interest	2
Business Gifts and Entertainment	3
Contact with Government Officials	6
Political Contributions and In-kind Contributions	6
Personal Behavior in the Workplace	7
Securities Trading Policies	7
Fair Dealing with Competitors, Customers and Suppliers	7

Company Information and Assets

Intellectual Property and Confidential Information	8
Protection and Proper Use of Company Assets	8

Financial Integrity, Accountability and Monitoring

Accuracy of Company Records	9
Public Disclosure of Code and Waivers	10
Accountability for Adherence to the Code	10
Reporting Any Suspected Illegal or Unethical Behavior	10
Coordination with Other Company Policies	11
Monitoring	11

Honest and Ethical Conduct

Compliance with Laws and the Code of Ethics and Business Conduct

All Company employees, officers and directors are expected and directed to comply with all laws, regulations and this Code of Ethics and Business Conduct.

Each employee, officer and director has an obligation to behave according to ethical standards that comply with this Code, and the letter and spirit of applicable laws, rules and regulations. It is everyone's responsibility to know and understand legal and policy requirements as they apply to his or her Company responsibilities.

You must promptly report all known or suspected violations of applicable law, regulations, or this Code to the Company's Chairman of the Board, President and Chief Executive Officer, Vice President-Finance, or General Counsel. As an alternative, you may submit an anonymous report as described on page 10 of this Code.

Responsibility of Officers

The Company is committed to conducting its business in accordance with all applicable laws, rules and regulations and in accordance with the highest standards of business ethics. Persons elected as officers of the Company must not only comply with applicable laws, they also have leadership responsibilities that include (1) creating a culture of high ethical standards and commitment to compliance; (2) maintaining a work environment that encourages employees to raise concerns; and (3) promptly addressing employee compliance concerns. Officers will also establish and maintain mechanisms to (1) educate employees of the Company about federal, state and local regulations that affect the operation of the Company; (2) monitor compliance of the Company with federal, state and local regulations; and (3) identify, report and correct any detected deviations from applicable federal, state and local regulations. Officers are expected to exhibit and promote the highest standards of honest and ethical conduct through the establishment and operation of policies and procedures that demonstrate commitment to fulfilling these responsibilities.

Company Opportunities

Do not use a Company opportunity for personal gain.

Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. You are prohibited (without the specific consent of the President and Chief Executive Officer or of the Chairman of the Board of Directors) from (1) taking opportunities for yourself that are discovered through the use of Company property, information or your position, (2) using Company property, information or your position for personal gain, or (3) competing with the Company directly or indirectly.

Conflicts of Interest

Each employee, officer and director must avoid any situation in which his or her personal interests conflict with or interfere with the Company's interests.

Each employee, officer and director owes the Company a duty of loyalty. You must make business decisions in the best interests of the Company. Conflicts may arise when you receive improper personal and/or financial benefits as a result of your position with the Company or when you gain personal enrichment through access to confidential information. A conflict situation can also arise if you take actions or have interests that may make it difficult to perform your Company work objectively and effectively. For that reason, you must exercise great care not to allow your personal interests to potentially conflict with the Company's interests. You are expected to act with honesty and integrity, avoiding actual or apparent conflicts of interest between your personal and professional relationships.

The Company's employees, officers and directors are generally free to engage in outside activities of their choice. It is important, however, that such activities do not adversely affect the Company's business, involve misuse of the Company's position or resources, divert for personal gain any business opportunity from which the Company may profit, or constitute a potential source of discredit to the Company name. The following is a non-exhaustive list of examples of conflicts of interest for employees, officers and directors of the Company that are generally prohibited:

- Consulting with or employment in any capacity with a competitor, supplier or customer of the Company.
- Having a substantial equity, debt, or other financial interest in any competitor, supplier or customer.
- Having a financial interest in any transaction involving the purchase or sale by the Company of any product, material, equipment, services or property.
- Misusing the Company's confidential or proprietary information, including the unauthorized disclosure or use of such information.
- Using materials, equipment or other assets of the Company for any unauthorized or undisclosed purpose.

Directors also owe the Company a duty of loyalty. The duty of loyalty mandates that the best interests of the Company and its shareholders takes precedence over any interest possessed by a director not shared by the shareholders generally. In the event that a conflict (or the appearance of a conflict) arises or is anticipated, directors must bring the matter to the attention of the Chairman of the Board and/or General Counsel.

Business Gifts and Entertainment

The Company prohibits employees, officers and directors from receiving gifts of more than a nominal value, and places reasonable limits on customary business entertainment, in order to avoid actual or perceived conflicts of interest.

The Company desires to conduct its business in accordance with the highest ethical standards and in particular, not to permit or tolerate the making or receipt of improper or illegal payments or other activities creating the appearance or reality of conflicts of interest.

The Company has many active and potential suppliers that are critical to the Company's success. That is why relationships with active and potential suppliers must be based entirely on sound business decisions and fair dealings. Business gifts and entertainment can build goodwill, but they can also make it harder to be objective about the person providing them. Gifts and entertainment can create their own conflict of interest. Therefore, you should make known to all persons with whom you come in contact in the course of business dealings that the Company expressly prohibits the acceptance of gifts of more than nominal value from any person or business organization that does, or may do, business with the Company.

It is not the intent of the Company to eliminate normal business entertaining. Accordingly, you may continue to entertain, at Company expense, individuals representing entities with which the Company has a business interest where such entertainment is reasonable in extent and in accordance with accepted business practice where rendered.

Gifts and entertainment offered to employees, officers and directors, and their close relatives, fall into three categories:

Usually OK

Some non-cash gifts and entertainment are small enough that they do not require approval. Non-cash gifts or entertainment with a combined value of \$500 or less per person from one source in a calendar year are in this category (as long as they do not fall into the "Always Wrong" category below), they do not require approval. Examples include:

- Occasional meals with a business associate.
- Ordinary sports and cultural events.
- Other reasonable and customary gifts and entertainment.

Always Wrong

Some types of gift or entertainment are simply wrong, either in fact or in appearance, so that they are never permissible, and no one can approve these. You may never:

- Accept any gift or entertainment that would be illegal or result in any violation of the law.
- Accept any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options).
- Accept or request anything as a “quid pro quo,” or as part of an agreement to do anything in return for the gift or entertainment.
- Participate in any entertainment that is unsavory, sexually oriented, or otherwise violates mutual respect.
- Participate in any activity that you know would cause the person giving the gift or entertainment to violate his or her own employer’s standards.

Always Ask

For anything that does not fit into the prior two categories, it may or may not be permissible to proceed; but you will need to get approval. You must obtain the approval of the Vice President of your department and either the President and Chief Executive Officer or the Vice President-Finance. Directors must obtain the approval of the Chairman of the Board. Examples in this category include the following, when paid by a current or potential supplier or customer:

- Gifts and entertainment from a single source with a combined value of over \$500 per person, per calendar year.
- Special events – such as tickets to a World Series or Super Bowl game (these usually have a value over \$500).
- Travel or entertainment lasting more than a day or including an overnight stay.

In determining whether to approve something in the “Always Ask” category the approving persons will use reasonable judgment and consider such issues as:

- Whether the gift or entertainment would be likely to influence your objectivity.
- Whether there is a business purpose (for example, business will be discussed as part of the event in question).
- What kind of precedent it would set for others.
- How it would appear to shareholders, employees or people outside the Company.

What should you do if you receive an impermissible gift? You must immediately return any gift of cash or cash equivalent such as a bank check, money order, investment security or negotiable instrument. For other types of gifts (non-cash) over \$500, if the President and Chief Executive Officer, the Vice President-Finance, or Chairman of the Board, as the case may be, determines that returning the gift is inappropriate, you should turn the gifts over to the Vice President-Finance for Company use, sale or donation. If appropriate, a letter should be sent to the donor explaining Company policy with respect to gifts.

Sample questions and answers regarding receiving gifts & entertainment:

1. Question: A supplier's sales representative offers you a fancy pen set, but there is only one catch, the supplier says you can have the pen set if you help him make his pitch to the Board and/or management. The value of the pen set is likely less than the "Usually OK" \$500. Can you accept the pen set?

Answer: No. Because there is a "quid pro quo" – meaning the supplier will only give you the pen set if they get something in return. These arrangements are on the list of "Always Wrong."

2. Question: A supplier wants to celebrate a successful year by offering you a weekend trip/outing to celebrate. The value is over \$500. Can you accept the trip?

Answer: Always Ask. The offer may be approved or denied after considering issues summarized above.

3. Question: A supplier wants to celebrate a successful year by taking you and your spouse to dinner and to a local college sporting event. It is the only gift the supplier has offered during the year. The total value for you and your spouse is less than \$500. Can you accept the gift?

Answer: Yes (Unless an "Always Wrong" stipulation applies). The annual value is less than \$500 and is within the acceptable range. No approval is required.

4. Question: A supplier wants to celebrate a successful year by giving you and other employees, officers and/or directors tickets to a local college sporting event. It is the only gift the supplier has offered during the year. The value is less than \$500 per person. Can you accept the tickets?

Answer: Yes (Unless an "Always Wrong" stipulation applies). The annual value is less than \$500 per person and is within the acceptable range. No approval is required.

5. Question: A supplier wants to celebrate a successful year by offering you and other employees, officers and/or directors a weekend trip to a sporting event. It is the only gift the supplier has offered during the year. Individually, the value is more than \$500 per person. Can you accept this trip?

Answer: Always Ask. The offer may be approved or denied after considering issues summarized above.

6. Question: A supplier (or potential supplier) is also a neighborhood friend, and as a friend he offers to take you to sporting events and out to dinner at his expense.

The annual value is likely over \$500, but, he is footing the bill as a friend. What do you do?

Answer: Always Ask. Even though the offer is being made by a friend, he is also a supplier (or potential supplier). It could be a real or perceived conflict of interest. The offer may be approved or denied after considering the issues summarized above. This answer applies whether or not the individual is a friend or a family member.

Contact with Government Officials

The Company seeks to comply with all applicable laws, rules and regulations relating to lobbying or attempting to influence government officials.

Bribery, kickbacks or other improper or illegal payments have no place in the Company's business. In addition, information provided to governments must be accurate and interactions with government officials must be honest and ethical.

Certain employees, officers and directors will have periodic contact with state and federal elected officials, executive branch personnel, and regulatory agency staff that may constitute lobbying activities. If you have such contact, you should discuss your activities with the Vice President-Finance or General Counsel to assure compliance with applicable regulatory and disclosure requirements.

Before doing business with foreign, national, state or local government, you must know the applicable rules. If you are in doubt, you should not make the mistake of interpreting the rules by yourself. You should discuss the matter with your supervisor or other management of the Company.

Political Contributions and In-kind Contributions

Generally, the Company's funds or resources may not be used to make a political contribution to any political candidate or political party.

Exceptions to this basic policy are allowed only where such political contributions are permitted by law and permission is granted in advance by the Company's President and Chief Executive Officer. "Political Contributions" include any gift, subscription, loan, cash or anything of value (including property, supplies, services, purchase of tickets to fundraisers, and the like) when done to influence the nomination or election of an individual to a political office or for purposes of influencing any referendum. You may contribute your personal time, money or other resources to a political campaign or political activity, provided that such contribution is totally voluntary.

Personal Behavior in the Workplace

The Company is committed to providing equal opportunity in employment and will not tolerate illegal discrimination or harassment.

The Company strives to enhance and support the diversity of its employee group. All are expected to deal with each other in an atmosphere of trust and respect in a manner consistent with the Company's core values.

Securities Trading Policies

Never trade securities on the basis of confidential information acquired in the course of your Company duties or while you are at the workplace.

There are times when you may possess information about the Company, its subsidiaries or affiliates, or about a company with which the Company does business, that is not known to the investing public. Such insider information may relate to, among other things, strategies, plans of the Company, new products or processes, mergers, acquisitions or dispositions of businesses or securities, problems facing the Company, sales, profitability, negotiations relating to significant contracts or business relationships, significant litigation or financial information.

If any information is of the type that a reasonable investor would consider important in reaching an investment decision, you must not buy or sell securities, nor provide the information to others until such information becomes public. Use of material, non-public information in the above manner is not only unethical, but also illegal. Employees who directly or indirectly involve themselves in illegal insider trading will be subject to immediate termination by the Company, and an individual convicted of insider trading may face criminal penalties of up to ten years in prison and/or a \$1,000,000 fine.

If you are unsure how the law applies in a given instance, you should seek guidance before you trade. All questions should be referred to our General Counsel.

Fair Dealing with Competitors, Customers and Suppliers

The Company seeks to conduct all of its activities in full compliance with all applicable trade regulation laws of the United States and any state or foreign country.

Federal and state antitrust laws have been enacted to protect the competitive system from collusion, coercion, deception or favoritism, and can impact virtually every phase of the Company's operations. These laws affect our relationships with suppliers, customers, competitors, labor organizations and almost all others with whom we may deal in our day-to-day business. Criminal and civil damage penalties are the consequence of non-compliance.

It is the duty of every employee, officer and director having responsibilities in areas affected by the antitrust laws to be sufficiently knowledgeable of the laws to avoid unlawful conduct and to identify any unlawful conduct of another having a detrimental impact on the Company. Questions and requests for information regarding the antitrust laws should be directed to the General Counsel. Because the antitrust laws are very complex, if you have questions regarding specific practices, either on the part of the Company or another that may affect the Company, it is your responsibility to contact the General Counsel for appropriate counseling.

Company Information and Assets

Intellectual Property and Confidential Information

The Company invests substantial resources in developing proprietary intellectual property and confidential information.

Confidential information is information that is not generally known or readily available to others. It includes non-public information that might be of value to competitors if it were disclosed. It must not be shared with others outside the Company except pursuant to approved business relationships or when required by law. Confidential information includes, but is not limited to, intellectual property and trade secrets, business plans and information, marketing and sales programs and information, customer and prospective customer information and lists, pricing information and policies, financial information, and any other information which the Company deems confidential.

Each employee, officer and director of the Company is obligated to protect the Company's confidential information, as well as that of its customers, suppliers and third parties who disclose information to the Company in confidence. You must not accept confidential information from, or release confidential information to, a third party (including competitors) unless specifically authorized to do so by an authorized supervisor, an officer of the Company or the Board of Directors, and then only following execution of an appropriate nondisclosure agreement.

The provisions of this Code are subject to the terms and conditions of any confidentiality or non-disclosure agreement that an employee, officer or director may have entered into with the Company.

Protection and Proper Use of Company Assets

Our shareholders trust us to manage Company assets appropriately.

Employees, officers and directors have a collective responsibility for safeguarding and making proper and efficient use of the Company's assets. You have an obligation to prevent loss, damage, misuse, theft, embezzlement or destruction of the Company's tangible and intangible property. You should refer to the Company's Electronic Data Storage Policy for guidance regarding the proper use and storage of electronic data on the Company's information system.

Financial Integrity, Accountability and Monitoring

Accuracy of Company Records

Each officer and employee must help maintain the integrity of the Company's financial and other records.

Management, directors, shareholders, creditors, governmental entities and others depend on the Company's business records for reliable and accurate information. The Company's books, records, accounts and financial statements must appropriately and accurately reflect the Company's transactions and conform to applicable legal requirements and the Company's system of internal controls. In particular, the Company is committed to full, fair, accurate, timely and understandable disclosure in all reports and public communications. You are expected to provide truthful, complete and timely information in support of this commitment.

Officers and employees will establish and manage the transaction and reporting systems and procedures of the Company to ensure that:

- A. Business transactions are properly authorized and completely and accurately recorded on the Company's books and records in accordance with generally accepted accounting principles and established Company financial policy.
- B. The retention and proper disposal of Company records shall be in accordance with established Company policies and applicable legal and regulatory requirements.
- C. Periodic financial communications and reports will be full, fair, accurate, timely, understandable, and in compliance with all applicable laws and regulations so that readers and users can quickly and accurately determine their significance and consequence.

There is no excuse for participating in the creation of, or not reporting, a deliberately false or misleading Company record. In addition, you must not destroy, alter, falsify or cover up documents with the intent to impede or obstruct any investigation of suspected wrongdoing.

You must not participate in any misstatement of the Company's accounts, and you must avoid improper influence on the conduct of an audit. Financial records must accurately reflect and properly describe the transactions they record and must be in accordance with Generally Accepted Accounting Principles ("GAAP"). Such assets, liabilities, revenues and expenses shall be properly recorded on a timely basis in the books of the Company. All arrangements, contracts, or purchase orders under which funds are disbursed shall accurately state the purposes for which these funds are paid and shall not be misleading.

Business records and communications often become public and you are expected to avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of individuals or

companies that could be misunderstood. This obligation applies in any communication, including, but not limited to e-mail, internal memoranda, and formal reports. Records are expected to be retained or destroyed according to the Company's record retention policies. In the event of litigation or governmental investigation, you are expected to consult the Company's General Counsel concerning the records you hold.

Public Disclosure of Code and Waivers

The existence and content of this Code of Ethics and Business Conduct will be disclosed to shareholders and will be publicly available in accordance with applicable law. It is expected that waivers of this Code will be rarely given. Any waiver of a provision of this Code for the President and Chief Executive Officer or directors may be granted only by the Board of Directors, with only the non-affected directors voting, or an appropriate Board Committee consisting of non-affected directors. Any waiver of a provision of this Code for officers and other employees may be granted only by the President and Chief Executive Officer.

Accountability for Adherence to the Code

Each employee, officer and director must accept responsibility for adherence to this Code. Violations of this Code may lead to serious sanctions including discipline for an employee of up to and including immediate termination as determined, in the sole discretion of the Company. The Company may, in addition, seek civil recourse against an employee, officer or director and/or refer alleged criminal misconduct to law enforcement agencies.

Reporting Any Suspected Illegal or Unethical Behavior

Any known or suspected violation of this Code or other applicable laws or regulations, by an officer or director, must be immediately reported to the Chairman of the Audit Committee of the Board of Directors or the Company's General Counsel. Any known or suspected violation of applicable laws or regulations or this Code by any other employee of the Company must immediately be reported to the Company's President and Chief Executive Officer, Vice President-Finance, or the Company's General Counsel.

If you have questions about an ethical situation, you are encouraged to talk with your supervisor or with our General Counsel about any behavior you believe may be illegal or unethical. You will be assured confidentiality, to the limit of the law. If you do not feel it is appropriate to discuss the issue with these persons, the Company has established an ethics hotline and website so that you can report concerns or potential violations anonymously.

Toll free ethics hotline: 1-844-730-0008

Ethics website: www.lighthouse-services.com/crystalsugar

Any reports related to suspected illegal or unethical behavior that are sent to the Audit Committee and must either (1) include sufficient details so that an investigation of the complaint can be conducted or (2) include the contact information of the person submitting the report so that further details can be obtained. Employees anonymously reporting issues through the ethics hotline or website will be given a reference number that can be used for follow-up questions during an investigation. Any reports submitted that do not have enough detail to allow for an investigation or contact information to facilitate the collection of additional information will be disregarded. All reports submitted will be treated in a confidential manner by the Audit Committee.

No employee, officer or director of the Company shall be subject to disciplinary or retaliatory action by the Company or any of its employees or agents as a result of a disclosure of information to an official of the Company, the government or a law enforcement agency where the person has reasonable cause to believe that the information involves the Company's violation, or possible violation, of any federal, state or local law or regulation.

Any person who has a reasonable belief or has actual knowledge that the Company is in violation of any law or regulation, or that the accounting, auditing, and internal auditing controls and disclosure practices of the Company are in violation of any law or regulation or are otherwise questionable, should submit details of such matters to the Audit Committee of the Board of Directors or the Company's General Counsel. Any person who files reports or provides evidence which he or she knows to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by the above policy statement and may be subject to disciplinary action, including termination of employment.

It is against the Company's policy to retaliate against any employee, officer or director for good faith reporting of violation of this Code. If you feel you have been retaliated against for raising your good faith reporting, you should immediately contact your supervisor, the President and Chief Executive Officer, or the Company's General Counsel.

Coordination with Other Company Policies

This Code supplements and does not replace or modify the Company's other policies or procedures, including provisions of the Company's current employee handbook(s) and other statements of policy or procedure issued from time to time, or any applicable collective bargaining agreement.

Monitoring

The Company will periodically distribute copies of the Code to each employee, officer and director to remind such persons of the contents of the Code as well as to reestablish their commitment to compliance with it.