

BUSINESS

Wells Fargo backing off mortgages

Longtime banking industry leader in home loans has hundreds of Twin Cities employees in that division.

By GITA SITARAMIAH
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Wells Fargo & Co. is shrinking its home mortgage division, which has a sizable presence in the Twin Cities, and cutting jobs in the process, a spokesman acknowledged Tuesday.

Wells Fargo, the nation's third-largest bank, for years has led other banks in home

mortgage volumes and, a decade ago, accounted for one of every four new home loans in the country.

But its market share has been sliding for years against independent mortgage companies such as Rocket Cos. And now with the steady rise of interest rates, loan originations and refinancing have slowed significantly. The

Mortgage Bankers Association forecasts a 41% drop in the value of mortgage originations this year.

On Monday, Bloomberg News cited a senior executive anonymously as saying that San Francisco-based Wells Fargo is no longer committed to ranking first in the business among banks.

Tom Goyda, a Wells Fargo spokesman, told the Star Tribune on Tuesday, "Like others in the industry, we're evaluat-

ing the size of our mortgage business to adapt to a dramatically smaller originations market."

The home mortgage division is based in Des Moines and is the largest private employer in that city. It also has hundreds of employees at a building in south Minneapolis and other locations in the Twin Cities.

Goyda declined on Tuesday to provide a precise number of employees for the divi-

sion in the Twin Cities nor how many would be affected by job cuts.

"We are carrying out displacements in a transparent and thoughtful manner and providing assistance, such as severance and career counseling," Goyda said in an e-mail. "Additionally, we are committed to retaining as many employees as possible and have had good success identifying opportunities and

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Cargill posts its highest revenue

In a year marked by "extreme events," the firm brought in \$165 billion.

By KRISTEN LEIGH PAINTER
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Cargill Inc.'s annual revenue reached \$165 billion in its latest fiscal year, the most money ever brought in by the agribusiness giant.

The Minnetonka-based commodities trader's revenue surged 23% in a year punctuated by extreme global events, the company said in its annual report published last week.

"Amid the chaos and complexity of this year, Cargill's people made decisions, acted with agility, and overcame challenges to meet customers' needs without sacrificing [their] values," Cargill Chief Executive Dave MacLennan and Chief Operating Officer Brian Sikes said in a letter to shareholders.

Cargill releases limited financial details throughout the year. It did not share its full-year profit in the annual report.

Cargill is the nation's largest private company by revenue and the world's largest purveyor of raw agricultural goods — buying, processing, shipping and selling everything from chocolate to palm oil and chicken across the globe.

When including public companies, Cargill is the second-largest in Minnesota, behind another well-known Minnetonka-based entity: UnitedHealth Group.

During the company's latest fiscal year, which ended May 31, Cargill navigated "extreme events," such as the ongoing COVID-19 pandemic, severe weather, trade disruptions and Russia's invasion of Ukraine.

Cargill's scale and 157 years of experience helped.

"Thanks to our teams' diligence and agility in serving customers, we recorded \$165 billion in revenues this fiscal year, a 23% increase from a year ago," the executives said in the shareholder letter. "Numerous customers recognized us for our work to help them succeed in this challenging environment."

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Photos by ALEX KORMANN • alex.kormann@startribune.com

One-stop shopping for employment

More than 125 job seekers attended an employment fair on Tuesday at Creekside Community Center in Bloomington. The majority of participants were retirees seeking flexible part-time or seasonal work. Among them were a man who talked to Las Vegas Tonight worker Ed Schmidt, above, about dealing blackjack, and Kirk Vogland, at right, who filled out a sign-up sheet at the Bloomington Public Schools booth. Twenty employers were on hand looking to hire, including Canterbury Park and Lunds & Byerlys. This is the third year of the fair and the first one held since the pandemic started.



Klobuchar, execs pledge tech-factory expansions

Firms will seek federal grants made possible by new U.S. CHIPS law.

By EVAN RAMSTAD
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The lobbying of Congress to pass a law for government grants to the nation's high-tech manufacturers is over. Now, the line is forming to get the grants.

Leaders of three Minnesota tech-manufacturing companies joined U.S. Sen. Amy Klobuchar on Tuesday to celebrate passage of the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act, which President Joe Biden signed into law last week.

In an event at SkyWater Technology, Minnesota's

largest chip factory, the executives said they all expect to pursue grants that will help pay for expansions and new hiring.

Klobuchar noted that the semiconductor makers are spread across the country. "But we've got to make sure when this money goes out that it goes out to places like Minnesota, Ohio and Indiana ... that it reaches the heartland," she said.

Tom Sonderman, chief executive of SkyWater, repetitive earlier statements that the federal funds will speed some of its capital projects. The company's fab in Bloomington employs about 600 people, and it has smaller research facilities in Florida and Indiana.

Data-storage firm Seagate See **CHIPS** on D6 ▶

N.D. oil output rose in June; growth is expected

Production is still short of pre-pandemic levels, but a slow climb anticipated.

By MIKE HUGHLETT
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North Dakota oil production increased 3.5% in June and is expected to continue slowly climbing for the rest of 2022 and beyond.

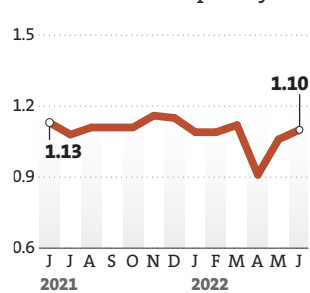
That was the word Tuesday from Lynn Helms, head of North Dakota's mineral resources department.

North Dakota churned out 1.1 million barrels of oil per day in June, up from 1.06 million in May. Output was somewhat less than forecast due to production shortfalls in one county, Helms said.

However, the state's natural gas production jumped

N.D. OIL PRODUCTION

Millions of barrels per day



Source: N.D. Dept. of Mineral Resources

9.7% in June from the previous month to 3.06 million MCF per day. (An MCF is 1,000 cubic feet of natural gas.)

The strong increase was driven by historically high U.S. natural gas prices, Helms said.

The number of drilling rigs See **OIL** on D6 ▶

UnitedHealth Group buys Medicare insurer in Texas

Purchase was part of a deal with a large medical group based in Houston.

By CHRISTOPHER SNOWBECK
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UnitedHealth Group said it has acquired a Medicare health insurer in Texas that's connected to a large medical group in Houston.

In a regulatory filing Friday, a subsidiary of Minnetonka-based UnitedHealth disclosed the acquisition of KS Plan Administrators, the Houston-based insurance company. Financial terms were not disclosed.

During the first quarter, KS Plan Administrators covered about 41,000 Medicare beneficiaries and generated about

\$147 million in premium revenue in Texas, according to a filing.

KS Plan Administrators is affiliated with Kelsey-Seybold, a large medical group that a stock analyst in July said had been acquired by UnitedHealth Group for about \$2 billion.

UnitedHealth Group has not provided detailed comments on the financial terms or ownership structure of the Kelsey-Seybold transaction, saying only that its Optum business for health care services is now "aligned" with the physician group.

"We look forward to working together to advance Kelsey-Seybold's compassionate, coordinated care model to more patients and communities in the Greater See **UNITEDHEALTH** on D6 ▶