

Frenchman Valley Farmers Cooperative, Inc.
General Grain Policies

Effective Oct 1, 2009

This is a general guideline of FVC's grain policies, however, it is not intended to cover every detail that may develop through the course of business. All policies are subject to change without notice.

Grain Storage

- Grain will be accepted for storage on a first come, first served basis.
- Storage charges will be waived if sold within 15 days of delivery date. Grain not sold within 15 days will become subject to storage charges and revert back to delivery date of each load or scale ticket.
- Stored grain may be applied to available contracts if it meets the contracts requirements.

Warehouse Receipts

- Warehouse receipts will be issued on a first come, first served basis.
- Storage on warehouse receipts for government loans will be prepaid through the maturity date. Prepaid storage not earned by FVC will be refunded at the time the grain is purchased.
- Inbound handling charges will be paid before warehouse receipt is issued and refunded at the time the grain is purchased.
- Patron will pay market scale discounts to upgrade any variance before warehouse receipt is issued.
- Drying charges on warehouse receipted grain will be paid before the warehouse receipt is issued.
- Warehouse receipts will be issued from the Imperial Office.

Grain Settlements

- Patrons are responsible for verifying loads delivered, prior to settlement.
- FVC will not automatically issue checks on contracted grain after delivery, but only after the seller applies grain to the contract and requests settlement.
- Oldest contracts will be filled first and in continuous order from dates they were written.
- Overrun balances delivered to the elevator will be considered stored grain after 15 days from delivery.
- Contracts are expected to be delivered in full. Under delivery will be cash settled at FVC option and deducted from final settlement.
- Discounts or premiums applied to all grain will be deducted or added at final settlement.
- Grain will be available for settlement the day following delivery. Extreme activity, such as harvest, may delay settlement beyond this guideline.
- FVC will provide a proof of yield report for the current marketing year upon request.
- Account settlements requiring in excess of 3 splits / checks may require a service fee at FVC option.
- Whereas some commodities and/or conditions may require special handling or grading, FVC may elect to submit samples for official grades. Final settlement can be made after receiving grade results.
- Settled grain payments may be deferred up to a maximum of 12 months. (Absolutely no exceptions)

Contract / Settlement Administration Fees

- Administration fees may be assessed on certain contracts and/or settlements where applicable.

Specialty Grain Policies (see Grain Originators)

- Including, but not limited to, white wheat, specialty corn and sunflowers.

Handling Charges

- Inbound - 12.5 cents per bushel
- Outbound - 12.5 cents per bushel
- Handling charges may be waived when grain is purchased.

Feed Mill / Grain Bank Account

- Feed account grain will carry the same shrink, drying and storage charges as open storage grain.
- Handling charges may be waived when grain is processed through our feed mills.

Yellow Corn

Storage Rates

- \$0.00115/ bu per day = 42.0 cents per year

Grain Tax

- * Nebraska - \$0.0025 per bushel
- * Wyoming - \$0.00 per bushel

Ethanol Tax

Nebraska - \$0.00875 per bushel

Moisture Discounts

- Shrink on corn will be 1.5% per point down to 15.5% moisture.
- Drying charges will be 3.0 cents per point of moisture above 15.5% to 16.5%. 4.0 cents per point of moisture from 16.6% to 17.5%. 5.0 cents per point of moisture from 17.6% to 19.5%. 6.0 cents per point of moisture above 19.5%.
- Maximum moisture of 17% accepted at Enders, Benkelman, Perry, Culbertson E., Beverly, Hamlet, Chappell, Lodgepole, Dix, and Kimball.

Foreign Material

- FM in excess of 3% will be discounted at 2.0 cents per point per bushel.

Damage

- Damage in excess of 5% will be discounted at 2.0 cents for each 1% or fraction thereof per bushel.

Test Weight

- Under 54 pounds per bushel, discounted at 1.0 cent for each one pound or fraction thereof.

Other Discounts

- Sour/Musty - Discounted at 20.0 cents per bushel
- Weevily/Buggy - Discounted at 10.0 cents per bushel
- COFO - Discounted at 10.0 cents per bushel

Milo (Grain Sorghum)

Storage Rates

- \$0.00115 / bu per day = 42.0 cents per year

Grain Tax

- * 0.6% of cash price per bushel

Ethanol Tax

\$0.0049 per bushel

Moisture Discounts

- Shrink on milo will be 1.5% per point down to 14%
- Drying charges will be 3.0 cents per point of moisture above 14.0% to 15.0%. 4.0 cents per point of moisture from 15.1% to 16.0%. 5.0 cents per point of moisture from 16.1% to 18.0%. 6.0 cents per point of moisture above 18.0%.
- Milo accepted at Wauneta, Palisade, Culbertson West, McCook, and Lodgepole

Foreign Material

- FM in excess of 7% will be discounted at 2.0 cents per point per bushel

Damage

- Damage in excess of 5% will be discounted at 2.0 cents for each 1% or fraction thereof per bushel

Test Weight

- Under 54 pounds per bushel, discounted at 1.0 cent for each one pound or fraction thereof .

Milo (continued)

Other Discounts

- Sour/Musty – Discounted at 20.0 cents per bushel
- Weevily / Buggy – Discounted at 10.0 cents per bushel
- COFO – Discounted at 10.0 cents per bushel

Millet (White Proso)

Storage Rates

- \$0.0013 / bu per day = 48.0 cents per year effective February 1, 2010.

Moisture

- Moisture is accepted up to 12.0%. Millet with moisture in excess of 12.0% is subject to rejection. This will be based on harvest progress, inventory, and each locations capabilities. FVC option.
- Moisture in excess of 12.0%, if accepted, discounted at 1.0% for each 1/2 % of moisture.

Dockage

- All dockage is deducted by weight

Test Weight

- Under 50.0 pounds per bushel, discounted at 5.0 cents per pound to 47.0 pounds. 46.9 pounds and below is discounted at 10.0 cents per pound, or fraction thereof.

Soybeans

Storage Rates

- \$0.0013/ bu per day = 48.0 cents per year

Grain Tax

- Nebraska - 0.5% (1/2 percent) of cash price per bushel

Moisture

- Shrink will be 3.0% per point from 13.0% thru 15.9% moisture. 4.0% shrink per point from 16.0% or higher moisture.

Foreign Material

- FM in excess of 1.0% will be deducted by weight

Damage

- Damage in excess of 2.0% will be deducted at 5.0 cents for each 1% or fraction thereof.

Test Weight

- Under 54.0 pounds per bushel, discounted at 1.0 cents for each one pound or fraction thereof.

Other Discounts

- Sour/Musty – Discounted at 20.0 cents per bushel
- COFO - Discounted at 20.0 cents per bushel
- Splits over 20.0 % - Discounted at market scale of discounts

Wheat

Storage Rates

- \$0.00115/bu per day = 42.0 cents per year effective February 1, 2010.

Grain Tax

- * Nebraska - \$0.0125 Wyoming - \$0.0175

Moisture Discounts

- Shrink on wheat will be 2.0% per point from 13.6% moisture up to a maximum of 16% accepted.
- Each load stands on its' own.
- Plugged loads will have the maximum moisture shrink applied.
- Wheat with moisture in excess of 14% is subject to rejection. This will be based on harvest progress, inventory, and each locations capabilities. FVC option.

Dockage

- All dockage is deducted by weight to the nearest 1/10 percent
- Dockage is subject to an additional 2.0 cents discount per ¼ percent above 1.0 percent dockage

Foreign Material

- FM (Rye & Joint grass) in excess of 0.5 percent is discounted at 5.0 cents per ½ percent per bushel to 3.5 percent 3.6 percent FM and up will be discounted at 10.0 cents per ½ percent to 5.0 percent. 5.1 percent and up is sample grade and discounted at \$1.00 per bushel or subject to rejection.

Damage (sprout or other)

- Damage in excess of 2.0 percent will be discounted at 2.0 cents per point per bushel

Test Weight

- Test weight below 60.0 pounds will be discounted 1.0 cent per pound per bushel to 58.0 pounds. Below 58 pounds will be discounted at 2.0 cents per pound per bushel to 55.0 pounds. Below 55.0 pounds will be discounted at 4.0 cents per pound per bushel. Below 52.0 pounds is subject to rejection.

IDK (Insect Damaged Kernels)

- Calculated as count per 100 grams, discounts in excess of 5 to 10 will be 1.0 cent per count, and 11 to 30 will be discounted 2.0 cents per count. In excess of 30 is subject to rejection.

Infested (Live bugs)

- Discounted 25.0 cents per bushel – Subject to rejection. FVC option

Stones

- In excess of 3.0 stones, discounted at 25.0 cents per bushel to 10 stones. 11 stones and up is discounted at an additional 1.0 cent per stone, based on 1000 gram sample.

Other Discounts

- Sour / Musty – 20.0 cents per bushel
- Weevily – 10.0 cents per bushel
- COFO - 25.0 cents per bushel
- Smut – 30.0 cents per bushel
- Garlicky - 10.0 cents per bushel
- Shrunken and broken in excess of 3.0 percent discounted at 2.0 cents per point per bushel.

Protein Premiums

- If premiums offered, they will be based on current market scale at time of settlement.
- Wheat must meet milling specification at time of settlement to be eligible for potential premiums.