

# **ASSUMPTION COOPERATIVE GRAIN COMPANY**

2010 FALL HARVEST

HARVEST POLICIES  
STORAGE PROGRAMS  
DISCOUNT SCHEDULES





August 12, 2010

Dear Patron:

Greetings once again from Assumption Coop... and welcome to another harvest season! As we have all said before, every year is different. And without any doubt, that statement is true again this year as well. A beautiful early planting season, followed by large extended periods of rainfall, has created another year of challenges. Hopefully, with the right temperatures and rainfall the rest of the way, the potential for another good harvest is still a distinct possibility.

In order to help you with your harvest needs, once again Assumption Coop has been performing a lot of work on our facilities. While it is not possible to name them all in this newsletter, I will mention just a few to let you know about some of the progress you will see. At Assumption, we have redesigned the traffic flow around the facility, and added a remote ticket printer to make our scale operations faster and more efficient. In Pana, we have added a second set of scales and completely rebuilt our grain receiving leg to make our grain receiving operations faster as well. In Westervelt, the biggest progress is yet to come. However, the purchase of some property right next to our facilities has opened the door to growth that has not been possible in the past. In Owaneco, the replacement of our overhead drag system should make grain handling at that facility quicker. In Palmer, a new grain dryer was built to replace the two old unreliable dryers that we have used in the past. In addition to these, many other repairs and improvements have been made over this past year to your facilities as well, all in an effort to make your harvest go smoother and quicker.

Despite all that we have done to prepare for the harvest, we all know that it is still possible that problems may arise. Unexpected breakdowns and storage space filling up may have a say in how smoothly our operations go. We also know that long lines, early closures, and facility shut downs are all things that may occur from time to time, but we hope we can keep them to a minimum. At Assumption Coop, we assure you that we will try to keep the harvest flowing as smoothly as possible. In advance, we thank you for your cooperation and your understanding in dealing with each of these issues.

This letter has been written to give you information relating to the policies and programs to be in effect for the fall harvest of 2010 at all elevators operated by Assumption Cooperative Grain Company. Although this paper is not intended to cover every possible policy, it is hoped that this will provide an answer for most situations which arise in the delivery and marketing of your crops. After reading this letter, if you have any questions relative to the upcoming harvest, please feel free to ask us. We will be glad to discuss any questions or areas of concern that you may have.

At Assumption Coop, we hope that the 2010 Harvest will be a safe and prosperous one for each and every one of you. We look forward to being able to serve you. As always, we thank you for your business and your continued support.

Sincerely,

Tom Bressner  
Manager

## GENERAL INFORMATION

During the harvest, Assumption, Owaneco, Palmer, Pana, and Westervelt facilities will open for business and begin dumping grain at 7:00 AM, Monday through Saturday. Hours for closing on these days, as well as possible Sunday hours will be determined on a day by day situation based on the needs of customers, space availability, and the operating conditions of our facilities. It is possible that one or more facilities may need to be closed early (or not open at all) on some days due to storage space problems, over capacity of wet corn, breakdowns, etc... We will do whatever we feasibly can to keep all facilities operating to the best of their abilities, and when early shut downs or closures are to occur, as much notice will be given as possible.

Grain checks, settlement sheets, deferred payment contracts, warehouse receipts, etc..., can be picked up during business hours from our Assumption, Palmer, Pana, or Westervelt facilities. Our company computer system allows you to settle for your grain at any one of these facilities, even if the grain was delivered to another facility or to multiple facilities.

For those patrons wanting to sell their grain and wanting to defer the payment of income into the following year, Assumption Coop will offer deferred payment contracts. The original copy of this deferred payment contract will be given to you to file with your records.

With limited drying capacities and wet corn holding space at the Owaneco Facility, extremely wet corn creates major bottlenecks and logistical problems. So in order to improve our abilities to dump more grain at Owaneco, only corn below 22.0% moisture will be accepted at the Owaneco Facility during the 2010 Harvest.

With the computerized scale system we have in place at all facilities, it is highly important that the person delivering grain informs us on the first load delivered, as to the proper ownership, percentage of divides, and what to do with the grain. Also, we ask that you inform us immediately upon completion of each particular lot of grain, as well as any special instructions that we need to know in order to settle out the grain.

During harvest, Assumption Coop will not write any grain checks unless you request for them to be written. With so many people leaving their grain money in the elevator until January, it is impossible for us to guess who wants their checks now and who wants to wait. So, please request a check if you want it.

If a warehouse receipt is requested for the purpose of obtaining a loan, it is necessary that all drying and storage charges to be accumulated through the maturity of that loan must be paid in full, prior to the issuance of the warehouse receipt. If you sell the receipted grain and pay off the loan prior to its maturity, any and all unused storage will be reimbursed to you.

As in the past, delivery of waxy corn will not be accepted at any Assumption Coop facility.

Any grain contracts not filled during the agreed delivery period will remain on our books as an unfilled contract until the grain is received, or other arrangements have been made. Delivery periods may be extendable in some cases as long as it is approved by Assumption Coop. Any loss acquired by Assumption Coop due to the late delivery of a contract will be passed on to the farmer in the form of a contract price adjustment.

Assumption Coop strives for fairness in grading all samples of grain for all patrons. Unfortunately, at times there is a difference of opinion on sample results. When a difference of opinion exists on any grade factor (other than moisture) and the patron requests an independent grade be taken, Assumption Coop will send the sample to Decatur Grain Inspection for official grading. Whatever results Decatur Grain Inspection arrives at will be the official grade for that load.

## OFFERS TO SELL GRAIN

- 1) If a customer offers to sell grain at a price higher than the current market price, a grain "offer" will be accepted.
- 2) All grain offers are good for 30 days from the date they are submitted unless they are filled by us, cancelled by the customer, or other terms for the offer have been agreed upon.
- 3) If a customer wishes to cancel a grain offer, he must advise us in person, by phone, or by e-mail.
- 4) If the customer decides to sell this grain at a lesser price, it will be his responsibility to see that the offer is cancelled.
- 5) It will be the responsibility of the customer to give us the following information for all offers:
  - a) Name
  - b) Commodity
  - c) Number of bushels
  - d) Price to be paid
  - e) Delivery point
  - f) Whether the grain is to be delivered, is on storage, or on price later.

### STORAGE RATES

1) In order to meet storage requirements, moisture for storage will be based on:

Corn	open storage	14.5% moisture
	warehouse receipted	14.0% moisture
Soybeans	open storage or warehouse receipted	13.0% moisture

2) The storage rate for fall delivery is as follows:

- Corn: 15 cents per bushel minimum to December 1<sup>st</sup>. Soybeans: 17 cents per bushel minimum to December 1<sup>st</sup>.
- Thereafter, for the months of December, January, February, and March, stored corn and soybeans will be assessed a daily storage fee of .09 cents per day. (This converts out to 2.70 cents for a 30 day month.) For the months of April, May, June, and July, stored corn and soybeans will be assessed a daily storage fee of .11 cents per day. (This converts out to 3.30 cents for a 30 day month.)
- A new minimum fee will be assessed on all bushels not sold by the following August 1<sup>st</sup>.

### PRICE LATER RATES

For those that are interested. Assumption Coop will once again be offering a price later program for both corn and soybeans.

1) In order to meet our price later requirement, moisture for price later will be based on:

Corn	15.0% moisture
Soybeans	13.0% moisture

- 2) The service charge for fall delivery price later grain is exactly the same as the storage rates for fall delivery grain as spelled out in "Storage Rates", item 2 above.
- 3) Grain placed on this price later program must be priced by no later than September 30, 2011.

### INVOICING OF DRYING AND STORAGE RATES

On January 1, 2011, all storage and drying charges accumulated through the end of the calendar year that have not already been deducted from grain checks will be invoiced, and these service charges must be paid by no later than January 31, 2011. After January 31, 2011, finance charges will be applied at a rate of 1.5% per month (APR of 18.0%). On July 31, 2011, all storage and drying charges on all old crop corn and soybeans will be invoiced, and must be paid by no later than August 31, 2011. After August 31, 2011, finance charges will be applied at a rate of 1.5% per month (APR of 18.0%).

### CORN GRADES AND DISCOUNTS

Corn discounts for moisture will be 2 cents drying charge for each ½% of moisture or fraction thereof. The shrink factor for corn will be .7% for each ½% of moisture or fraction thereof. Moisture requirements for no discount are:

Corn sold or contracted	15.0% (this includes corn on price later)
open storage	14.5%
warehouse receipted	14.0%

Drying rates and shrinkage computations will be figured on gross wet bushels. Storage charges will be figured on net dry bushels.

Averaging on moisture will again be done for corn. All corn loads delivered per lot through continuous harvest will be graded for moisture and averaged to get a uniform representative moisture. However, all loads delivered below 13.5% will be picked up as 13.5% and averaged as such. Corn lots delivered through out the harvest on a non-continuous basis, which show extreme variances of moisture through out the entire lot, will be subject to being averaged in separate lots, determined by the periods of time delivered. (Ex.: A field is opened up on September 5<sup>th</sup> at 24% moisture, and no more is harvested until October 5<sup>th</sup> at 14% moisture.) There will be no averaging done for any other factors except moisture.

### SOYBEAN GRADES AND DISCOUNTS

Soybean discounts will begin at 13.0% moisture for soybeans, regardless if they are sold, stored, or on price later. There will be no monetary discounts for moisture in soybeans. There will be a weight reduction taken at 1.75% of your weight for each ½% or fraction thereof, above 13%.

Soybean moisture will not be averaged together. All loads of soybeans under 13.0% moisture will be considered dry. All loads over 13.0% will be discounted individually.

CORN - SCHEDULE OF DISCOUNTS

<u>MOISTURE</u>		<u>DRYING CHARGE AND % SHRINK</u>						<u>Test Weight</u>			<u>Damage</u>			<u>Foreign Material</u>		
From	to	<u>If Sold</u>		<u>Open Stored</u>		<u>Received</u>		from	to	c/Bu	from	to	c/Bu	from	to	c/Bu
14.1	14.5					2.0c	0.7%	53.9	53.0	1c	5.1	6.0	3c	3.1	4.0	4c
14.6	15.0			2.0c	0.7%	4.0c	1.4%	52.9	52.0	2c	6.1	7.0	6c	4.1	5.0	8c
15.1	15.5	2.0c	0.7%	4.0c	1.4%	6.0c	2.1%	51.9	51.0	4c	7.1	8.0	9c	5.1	6.0	12c
15.6	16.0	4.0c	1.4%	6.0c	2.1%	8.0c	2.8%	50.9	50.0	6c	8.1	9.0	12c	6.1	7.0	16c
16.1	16.5	6.0c	2.1%	8.0c	2.8%	10.0c	3.5%	49.9	49.0	8c	9.1	10.0	15c	7.1	8.0	20c
16.6	17.0	8.0c	2.8%	10.0c	3.5%	12.0c	4.2%	48.9	48.0	10c	10.1	11.0	20c	8.1	9.0	24c
17.1	17.5	10.0c	3.5%	12.0c	4.2%	14.0c	4.9%	47.9	47.0	12c	11.1	12.0	25c	9.1	10.0	28c
17.6	18.0	12.0c	4.2%	14.0c	4.9%	16.0c	5.6%	46.9	46.0	14c	12.1	13.0	30c			
18.1	18.5	14.0c	4.9%	16.0c	5.6%	18.0c	6.3%	45.9	45.0	16c	13.1	14.0	35c			
18.6	19.0	16.0c	5.6%	18.0c	6.3%	20.0c	7.0%				14.1	15.0	40c			
19.1	19.5	18.0c	6.3%	20.0c	7.0%	22.0c	7.7%				15.1	16.0	45c			
19.6	20.0	20.0c	7.0%	22.0c	7.7%	24.0c	8.4%									
20.1	20.5	22.0c	7.7%	24.0c	8.4%	26.0c	9.1%			WEEVILY 10c per bushel				SOUR 10c per bushel		
20.6	21.0	24.0c	8.4%	26.0c	9.1%	28.0c	9.8%			MUSTY 10c per bushel				HEATING 10c per bushel		
21.1	21.5	26.0c	9.1%	28.0c	9.8%	30.0c	10.5%			ALL DISCOUNTS ARE SUBJECT						
21.6	22.0	28.0c	9.8%	30.0c	10.5%	32.0c	11.2%			TO CHANGE WITHOUT NOTICE						

SOYBEANS - SCHEDULE OF DISCOUNTS

<u>MOISTURE</u>			<u>TEST WEIGHT</u>			<u>GREEN DAMAGE</u>			<u>FOREIGN MATERIAL</u>		
From	to	% of wt.	from	to	cents/Bu	from	to	% of price	All foreign material in excess of 1.0% shall be deducted from the gross weight and will not be paid for.		
13.1	13.5	1.75%	53.9	53.0	½ cent	1.1	2.0	½ %	SOUR 10 cents/Bushel		
13.6	14.0	3.50%	52.9	52.0	1 cent	2.1	3.0	1 %	MUSTY 10 cents/Bushel		
14.1	14.5	5.25%	51.9	51.0	2 cents	3.1	4.0	1 ½%	ALL DISCOUNTS ARE SUBJECT		
14.6	15.0	7.00%	50.9	50.0	3 cents	4.1	5.0	2 %	TO CHANGE WITHOUT NOTICE.		
15.1	15.5	8.75%	49.9	49.0	4 cents	5.1	6.0	3 %			
15.6	16.0	10.50%	48.9	48.0	5 cents	6.1	7.0	4 %			
16.1	16.5	12.25%	47.9	47.0	6 cents	7.1	8.0	5 %			
16.6	17.0	14.00%	46.9	46.0	7 cents	8.1	9.0	6 %			