

Redfield Energy, LLC
Corn Procurement Policy
September 8, 2009 to August 31, 2010

- Price:** Chicago Board of Trade (CBOT) Corn Futures minus local basis for a specified time frame.
- Delivery:** It is the unit holder's responsibility to market his/her committed bushels to Redfield Energy, LLC in each fiscal year. The current fiscal year ends August 31, 2010. All contracts will be on a first come first serve basis. RE offers a variety of contracts. Each contract will have a specified time of delivery: commonly a two week window. Please contact our office for more information. Failure to deliver specified bushels in a stated timeframe will be considered a breach of contract, and penalties or cancellation will apply.
- Payment:** Corn checks are written once a week on Monday's, and are available late Tuesday morning.
- Pool Fee:** Any committed bushels that were not delivered at the end of each fiscal year will be charged a pool fee. The pool fee for the fiscal year ending August 31, 2010 is \$.03 per bushel.
- Freight:** Only delivered committed bushels will be paid the freight allowance. For the current fiscal year beginning September 1, 2009, we will no longer pay freight allowance on the additional 50% of committed bushels.
- Discounts:** All corn bought by RE will be based on a Number 2 Grade Yellow Corn. Grading will take place at the Redfield Energy, LLC unloading site and all grades at the load station are final. Each load will be probe sampled with random hand sampling at the pit.

- Shrink:** • 1.4% shrink each percent over 14.5% prorated to the 1/10
 • RE is not a drying facility; quantities over 16.5% moisture will be accepted or rejected at buyer's sole discretion subject to above discounts.
- Broken Kernel and/or Foreign Material:** • \$0.02 each 1% From 3.1% to 4.0%
 • \$0.03 each 1% from 4.1% to 10.0%
 \$0.02 each additional percent over 10%
 • Over 7.0% May Be Subject to Rejection
- Damage:** • \$0.01 each 1% over 5.1% to 10%
 • \$0.02 each 1% over 10.1% to 20%
 • Over 10% – still subject to rejection
- Heat Damage:** • \$0.01 each 1/10 of 1% from .3 to 5%
 • Over 3% subject to rejection
- Test Weight:** • \$0.01 each 1 lb below 54# to 52#
 • \$0.01 each 1/2 lb from 51.9 to 49 #
 • Less than 49 lbs subject to market discounts
- Musty:** • \$0.07 per bushel
- Moldy:** • \$0.07 per bushel
- Sour:** • \$0.25 per bushel
- Stones:** \$0.10 per bushel

Corn that is found to be musty, heating, sour or possessing a commercially objectionable foreign odor is subject to discount and may be rejected. Corn must meet all FDA and or USDA fumigation requirements.

Corn containing 2 or more live weevils or 10 or more live grain insects per sample will be discounted \$.05 per bushel. Corn containing rodent or bird contamination, stones, glass or other commercially undesirable foreign material will be rejected.

Official grades can be requested at the time of unload at the producer's expense.

Past Due Policy a handling charge will be assessed for under-delivered or non-delivered corn when 30 days past due. The handling charge will be the spread difference between the current market price minus the contract price plus a 20 cent per bushel handling charge. If the current market price is less then the contract price the 20 cent per bushel handling charge will still apply but no spread difference will be given back to the Seller

****SUBJECT TO CHANGE WITHOUT NOTICE****