



Redfield Energy, LLC Corn Procurement Policies and Procedures

What is my Corn Delivery Obligation? Under the Uniform Marketing and Delivery Agreement, Class A members will be required to deliver to us one bushel of corn for each Class A unit held each year. The board of managers will establish a procedure to call for delivery bushels of corn from Class A members according to the number of bushels committed by all Class A members and the number of bushels of corn we will use annually.

Is There A Freight Allowance For My Delivered Bushels? We have established a freight allowance to be paid with respect to each bushel a Class A member delivers to us from the bushels such member is committed to deliver to us. The freight allowance will not be paid to Class A members with respect to any bushels in excess of the number committed to be delivered. The freight allowance may not be reduced by the board. The following table shows the freight allowance per bushel of corn actually delivered from committed bushels based upon the proximity of the Class A member to our ethanol plant:

Distance from Ethanol Plant (Miles)		Freight allowance (Per Bushel)
At Least	Less Than	
0	10	2 cents
11	17.5	3 cents
18	25	4 cents
26	32.5	5 cents
33	40	6 cents
41	47.5	7 cents
48	55	8 cents
56	62.5	9 cents
+63		10 cents

Do I Receive A Premium for My Corn As A Commercial Level Investor? Commercial level investors will receive a premium of \$0.03 on each bushel of corn required to be delivered in connection with each commercial level block. A commercial level block is 50,000 Class A units. Members may not “buy-up” or “transfer” to reach the commercial level as the number of Commercial Units in existence was established at the time the initial equity drive closed.

Will a pool system be available to assist members to meet their corn delivery obligations to RE? Yes. RE will make a pool system available to members to meet their corn delivery obligation. A pool system is intended to provide a centralized corn supply for those members who will not be actually delivering their committed bushels for basis and transportation considerations. The member meets its delivery obligation to RE by directing the pool to procure corn on the member’s behalf and to deliver the corn to the RE plant, paying for the corn and a per bushel pool fee. In turn, RE will pay the member for the corn delivered pursuant to the pool. In this way, the pool is acting as the agent of the member to procure corn on the member’s behalf. **The current pool fee for Fiscal Year 2017-2018 is \$0.03 per bushel.**

Do I have to be a Class A investor and/or member to deliver corn to RE? No. RE will procure corn from both classes of members as well as non-members.

How do I contract corn? Please call South Dakota Wheat Growers at 605-475-2500. They also post their daily bid on their webpage at www.sdwg.com. South Dakota Wheat Growers will issue your check for the corn that is delivered.

What are the corn delivery hours at RE? Monday through Friday from 7:30 am to 4:30 pm. These hours are subject to change at harvest.

When will I receive my check for freight allowance? South Dakota Wheat Growers supplies Redfield Energy with a monthly report of your delivered bushels. Redfield Energy issues freight allowance checks once a month. Please contact **Donna Hausvik** at 605-302-0090 with any questions on procurement policies and procedures.

Can Class A & Class B shares be transferred? Yes. Members are allowed to transfer from Class A to Class B units, and vice versa upon board of manager’s approval. Please contact **Jill Rude** at 605-302-0090 for the class transfer designation paperwork.