



SMITH FERTILIZER & GRAIN
2011 Grain Policy

GMO Policy

All GMO events approved in the U.S., Japan, and Mexico will be accepted. We require that anyone with varieties that are not approved for European Union or China give SFG prior notice so that delivery can be segregated or an alternative delivery site can be identified. It is illegal to deliver TREATED SOYBEANS when delivering soybeans, producers have the responsibility to make sure all delivery equipment is not contaminated with TREATED SEED.

Grain Delivery and Disposition

All grain must be marked as it is weighed in as sold, stored, or open. Each days spotted grain will be priced on that afternoon's bid. Our grain books close at 3pm daily. All spot grain received (unloaded) after 3 pm will be on the next business day's books and priced out on that afternoon's bid. The only exception is grain received after 3 pm on Friday through 3 pm Sunday will be priced out on Monday morning's bid. Grain received after 3 pm Sunday will be on Monday's books and priced on Monday's afternoon bid. Open grain may stay in open for up to 5 days. On the 6th day it will automatically go into storage unless other arrangements have been made. Grain checks are written on Tuesday & Friday. Deferred payment contracts are available with payment to be deferred until after January 5, 2012.

Corn Drying Charges and Shrink

The drying rate is 4.75 cents per point broken down per tenth of a point. The corn shrink factor is 1.4% for each 1% of moisture removed. Corn is dried to 14% for storage and grain bank, 15% for sale. Minimum drying charge .06.

Custom Drying

All drying and shrink rates will apply to custom drying. Custom drying has a 12 cent per bushel minimum and corn going out should be dried between 13.5 and 14.5. Custom dried corn must be removed within 5 days or it will incur storage charges.

Storage rates

Corn-15 cent minimum for 90 days then .00135 per day. (4.05¢ per month)
 Beans-18 cent minimum for 90 days then .00135 per day. (4.05¢ per month)
 For any customer with 50,000 bushels of grain stored in their name storage will be reduced to 10 cents for 90 days then .001 per day.
 Minimum storage will be billed at the end of the month, and then all storage will be accrued and calculated at time of settlement or billed on August 31.
 Grain Bank-5 cent minimum for 30 days then .000333 per day.(1¢ per month)
 Grain Bank storage will be billed monthly, unless fewer than 500 bushels which will be billed quarterly.
 Corn hauled out from Grain Bank unprocessed will be charged an out charge plus normal storage rates.

Corn Grade Discounts

	<u>Discount</u>	<u>Cumulative Cents</u>
Test weight (TW) 53.0 to 53.9	-1	-1
52.0 to 52.9	-2	-3
51.0 to 51.9	-3	-6
50.0 to 50.9	-3	-9
49.0 to 49.9	-4	-13
4 cents each pound or fraction under 48.9		
Under 50# subject to rejection		

	<u>Discount</u>	<u>Cumulative Cents</u>
Foreign Material (FM) 3.1 to 4.0	-2	-2
4.1 to 5.0	-4	-6
5.1 to 6.0	-5	-11
6.1 to 7.0	-5	-16
7.1 to 8.0	-5	-21
8.1 to 9.0	-5	-26
9.1 to 10.0	-5	-31
5 cents each 1% or fraction over 10.0		
Over 10% subject to rejection		

	<u>Discount</u>	<u>Cumulative Cents</u>
Damage 5.1 to 6.0	-2	-2
6.1 to 7.0	-2	-4
7.1 to 8.0	-3	-7
8.1 to 9.0	-4	-11
9.1 to 10.0	-5	-16
10.1 to 11.0	-5	-21
4 cents each 1% or fraction over 11.0		

Soybean Grade Discounts

Test weight (TW) ½ ¢ each pound or fraction under 54#
 Under 49# subject to rejection

Moisture

13.1% to 13.5 %	1.75% of price per bushel
13.6% to 14.0%	3.50% of price per bushel
14.1% to 14.5%	5.25% of price per bushel
14.6% to 15.0%	7.00% of price per bushel
15.1% to 15.5%	10.50% of price per bushel
15.6% to 16.0%	14.00% of price per bushel
16.1% to 16.5%	17.50% of price per bushel
16.6% to 17.0%	21.00% of price per bushel
Over 15% subject to rejection or discount on merit. All loads stand on their own.	

Foreign Material (FM) All foreign material in excess of 1.0% will be rounded to the nearest tenth of a percent and deducted from the gross weight and will not be paid for.

Damage Discount ¼% of purchase price for each ½% of damage over 2.0% to 3.0%.
 ½% purchase price for each ½% of damage over 3.0%

Direct Ship Grain Discounts

All direct ship bushels are subject to destination weights and processor grade discount scale.

Contracted Grain Delivery Policy

Delivery dates must be honored. Unless prior permission is received from the Knoxville office, the following will happen if the grain is delivered outside the delivery dates. Grain delivered early will be placed in storage and storage charged until the delivery date. Grain delivered late will be subject to a wider basis, determined by the basis at the time the contract was entered into, plus a .05 per bushel penalty.

Contract Cancellation

Grower will be charged 20 cents per bushel plus the difference in price of the grain between the contracted price and the bid at the time of cancellation.

We reserve the right to reject grain based on poor quality.

Other quality factors for discounts subject for all grains as follows:
 Musty – 15 cents Sour – 15cents Weevils – 10 cents

Minimum dump charge

Anyone delivering less than 10 bushels of grain will incur a \$15.00 dump fee.

Grain Vac Rent

8¢ Bushel – No Tractor (\$100 minimum)
 8¢ Bushel for tractor
 3¢ Auger rent

SUBJECT TO CHANGE WITHOUT NOTICE.