

February 21, 2022

Greetings,

I want to remind everyone that due to the Environmental Protection Agency's (EPA) decision to revoke all chlorpyrifos tolerances for food crops, chlorpyrifos cannot be used in sugarbeet production for the 2022 crop year and presumably all future crop years.

It is important to note that any existing inventories of chlorpyrifos stored on farms can't be used regardless of the purchase timing. This is a bit confusing since it is a different scenario than we've experienced in the past with other chemicals which have lost their registered use on beets such as Betamix.

If it is determined that chlorpyrifos was used on American Crystal Sugar Company crop 2022 sugarbeet acres, we will consider it a reasonably preventable misapplication. Those acres will need to be destroyed along with other consequences as laid out in the ACSC Policy Providing for the Destruction of Sugarbeet Acreage Due to the Presence of Misapplied Chemicals. The consequences include liquidated damages assessed equal to full fixed costs of the Company as provided in the Five-Year Agreement and the shareholder may be subject to other remedies available to the Company under the Five-Year Agreement, including the termination of the shareholder's membership in the Company. A claim of ignorance regarding EPA's decision to ban the use of Chlorpyrifos will not create an exemption for this policy.

Brand name examples of products that contain the active ingredient chlorpyrifos are:

- Lorsban 4E
- Lorsban 15G
- Chlorpyrifos 4E
- Chlorpyrifos 15G
- Govern 4E
- Yuma 4E
- Warhawk
- Whirlwind
- Hatchet
- Vulcan

***This is not a complete list as there may be other generics available as well that contain chlorpyrifos. It is the grower's responsibility to make sure they are not used.

As you probably are aware, on February 9th, ag groups representing thousands of farmers and farmer-owned cooperatives took legal action against the EPA's decision of revoking chlorpyrifos tolerances and we are seeking a stay on their ruling. American Crystal Sugar Company is playing a major role in this lawsuit. Until a court decides differently, we must follow EPA's decision of the revocation of chlorpyrifos tolerances and therefore chlorpyrifos usage in sugarbeets is not allowed. We will let you know if this changes.

Sincerely,



Brian Ingulsrud, VP of Agriculture