

Understanding the Beet Grower Statement, Prepile Payment and Tare Incentive Program

The Beet Grower Statement (aka the Beet Statement)

- The beet statement is a computation of the payment owed to the shareholder based on the raw tons delivered, the average tare percent on the tons delivered and the quality in the beets delivered

TONS DELIVERED TO RECEIVING STATIONS						
STATION	(1) RAW TONS			(3) NET TONS AT DIRT TARE PERCENTAGE		
	CURRENT	PRIOR	YEAR-TO-DATE	(2) CURRENT	PRIOR	YEAR-TO-DATE
810-E GRAND	1,510.48		1,510.48	1,491.90		1,491.90
	1,510.48		1,510.48	1,491.90		1,491.90

COMPUTATION OF BEET PAYMENT PER NET TON						
			PRIOR PERCENT	YEAR-TO-DATE PERCENT	PRIOR	YEAR-TO-DATE
(4) Sugar Delivered				18.40		368.0
(5) Sugar Loss To Molasses				(1.04)		(20.8)
(6) Other Sugar Losses						(50.2)
(7) Pounds of Sugar Recovered Per Net Ton of Beets						297.0
(8) Net Selling Price Per Pound of Sugar Recovered						\$.31500
(9) Sugar Revenue Per Net Ton of Beets						\$ 93.56
(10) Agri-Products Revenue						5.58
(11) Operating Costs						(40.00)
(12) Gross Beet Payment						\$ 59.14
(13) Hauling Allowance	14.64 MILES X \$.068 =					1.00
(14) Hauling Allowance Cost						(1.42)
(15) Prepile Quality Premium						8.19
(16) Prepile Quality Premium Cost						(4.30)
(17) Tare Incentive Premium						1.03
(18) Tare Incentive Penalty						(.50)
(19) Unit Retain						(2.00)
(20) Net Beet Payment						\$ 61.14
(21) Year-To-Date Payment Percentage						65%
(22) Year-To-Date Net Beet Payment						\$ 39.74

COMPUTATION OF AMOUNT ENCLOSED						
(23) Year-To-Date Payment			1,491.90 X \$39.74 =			\$ 59,288.11
(24) Prior Payments						
(25) This Payment Before Deductions						\$ 59,288.11
Deductions:						
(26) Station	810					
(27) Freight Charges						
(28) Local Association Dues	3.73					(3.73)
(29) Grower Association Dues		\$.12750 X 1,491.90				(190.22)

AMERICAN CRYSTAL SUGAR COMPANY
BEET GROWER STATEMENT
2010 CROP
NOVEMBER 15, 2010 PAYMENT

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	CURRENT	PRIOR	YEAR-TO-DATE	(2) CURRENT	PRIOR	1.23 YEAR-TO-DATE
810-E GRAND	1,510.48		1,510.48	1,491.90		1,491.90
	1,510.48		1,510.48	1,491.90		1,491.90

Calculating Net Tons

$$100\% - 1.23\% = 98.77\%$$

$$1,510.48 * 98.77\% = 1,491.90$$

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(7) Pounds of Sugar Recovered Per Net Ton of Beets				297.0

Calculate the pounds of sugar recovered per net ton of beets

Sugar percent – SLM% – Other Sugar Losses

$$18.40\% * 2,000 = 368.0$$

$$1.04\% * 2,000 = 20.8$$

Other sugar losses, a constant number for all contracts = 50.2

$$368.0 - 20.8 - 50.2 = 297.0$$

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(8) Net Selling Price Per Pound of Sugar Recovered				\$.31500
(9) Sugar Revenue Per Net Ton of Beets				\$ 93.56
(10) Agri-Products Revenue				5.58
(11) Operating Costs				(40.00)
(12) Gross Beet Payment				\$ 59.14

Next step, calculate the gross beet payment

Recovered sugar * sugar net selling price + agri-products revenue – operating costs

$$297.0 * \$0.31500 = \$93.56$$

$$\$93.56 + \$5.58 - \$40.00 = \$59.14$$

Now calculate the Net Beet Payment

Gross Beet Payment + Hauling Allowance – Hauling Allowance Cost +
Prepile Premium – Prepile Premium Cost + Tare Incentive Premium –
Tare Incentive Penalty – Unit Retain = Net Beet Payment

(12) Gross Beet Payment		\$ 59.14
(13) Hauling Allowance	14.64 MILES X \$.068 =	1.00
(14) Hauling Allowance Cost		(1.42)
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(21) Year-To-Date Payment Percentage		65%
(22) Year-To-Date Net Beet Payment		\$ 39.74

Note: No money is generated with the hauling allowance program, the prepile quality premium program nor the tare incentive program, it is only redistributed

Hauling Allowance

- The Hauling Allowance Premium is money added to a Shareholder's per ton payment based on the average miles & weighted by harvested acres, from each field to the **nearest factory for all fields** belonging to an entity
- The total of all money added to the payment is calculated and the average per ton cost of the Hauling Allowance Premium is subtracted from each Shareholder's per ton payment (Hauling Allowance Cost)
- Shareholders who are close to the factory have a Hauling Allowance Premium that is less than the Hauling Allowance Cost, their payment is less
- Shareholders who are far from the factory have a Hauling Allowance Premium that is more than the Hauling Allowance Cost, their payment is more

Calculating the Hauling Allowance

- Hauling allowance rate is $\frac{1}{2}$ the commercial rate per ton mile for the station delivered to. (Range: Bathgate & Voss \$.058 – Glyndon \$.079)
- Beets delivered to a Factory Yard receive $\frac{1}{2}$ the Valley average commercial rate. (\$.067)
- Beets delivered to more than one station receive a hauling allowance weighted by the net tons delivered to each station on all field of a Shareholder entity
- Hauling Allowance Premium multiplies the average weighted miles times average weighted rate

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Calculating the Prepile Quality Premium

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	(A)	(B)	(C)
	PAYMENT CALCULATION OF PREPILE TONS	PAYMENT CALCULATION OF STOCKPILE TONS	BEET GROWER STATEMENT
1 RAW TONS	254.64	1,255.84	1,510.48
2 TARE PERCENT	1.42	1.19	1.23
3 NET TONS	251.02	1,240.90	1,491.90
SUGAR PERCENT	14.70	19.15	18.40
SUGAR LOSS TO MOLASSES	1.16	1.02	1.04
4 SUGAR DELIVERED	294.0	383.0	368.0
5 SUGAR LOSS TO MOLASSES	(23.2)	(20.4)	(20.8)
6 OTHER SUGAR LOSSES	(50.2)	(50.2)	(50.2)
7 POUNDS OF SUGAR RECOVERED	220.6	312.4	297.0
8 NET SELLING PRICE PER POUND	\$.31500	\$.31500	\$.31500
9 SUGAR REVENUE PER NET TON OF BEETS	\$69.49	\$98.41	\$93.56
10 AGRI-PRODUCTS REVENUE	5.58	5.58	5.58
11 OPERATING COSTS	(40.00)	(40.00)	(40.00)
12 GROSS BEET PAYMENT	\$ 35.07	\$ 63.99	\$ 59.14
13 HAULING ALLOWANCE	1.00	1.00	1.00
14 HAULING ALLOWANCE COST	(1.42)	(1.42)	(1.42)
15 PREPILE QUALITY PREMIUM	48.68	.00	8.19
16 PREPILE QUALITY PREMIUM COST	(4.30)	(4.30)	(4.30)
17 TARE INCENTIVE PREMIUM	.00	1.24	1.03
18 TARE INCENTIVE PENALTY	.00	(.60)	(.50)
19 UNIT RETAIN	(2.00)	(2.00)	(2.00)
20 NET BEET PAYMENT	\$ 77.03	\$ 57.91	\$ 61.14

COLUMN C = WEIGHTED AVERAGE OF COLUMNS A & B, WEIGHTED BY NET TONS

PREPILE BEET PAYMENT AND PREMIUM						
PREPILE HARVEST DATE	PREPILE NET TONS	SUGAR %	SUGAR LTM %	PREPILE GROSS BEET PAYMENT	PREPILE PREMIUM PERCENTAGE	PREPILE GROSS BEET PAYMENT W/PREMIUMS
8/17	43.01	.00	.00	34.63	145.03	84.85
8/18	208.01	14.70	1.16	35.07	137.84	83.41
8/19	.00	.00	.00	.00	130.94	.00
8/20	.00	.00	.00	.00	124.87	.00
8/21	.00	.00	.00	.00	119.03	.00
8/22	.00	.00	.00	.00	113.95	.00
8/23	.00	.00	.00	.00	108.49	.00
8/24	.00	.00	.00	.00	103.76	.00
8/25	.00	.00	.00	.00	99.16	.00
8/26	.00	.00	.00	.00	95.18	.00
8/27	.00	.00	.00	.00	90.84	.00
8/28	.00	.00	.00	.00	86.66	.00
8/29	.00	.00	.00	.00	83.06	.00
8/30	.00	.00	.00	.00	79.52	.00
8/31	.00	.00	.00	.00	75.68	.00
9/01	.00	.00	.00	.00	72.36	.00
9/02	.00	.00	.00	.00	69.09	.00
9/03	.00	.00	.00	.00	65.93	.00
9/04	.00	.00	.00	.00	62.87	.00
9/05	.00	.00	.00	.00	59.87	.00
9/06	.00	.00	.00	.00	56.94	.00
9/07	.00	.00	.00	.00	54.11	.00
9/08	.00	.00	.00	.00	51.33	.00
9/09	.00	.00	.00	.00	48.64	.00
9/10	.00	.00	.00	.00	46.04	.00
9/11	.00	.00	.00	.00	43.48	.00
9/12	.00	.00	.00	.00	41.21	.00
9/13	.00	.00	.00	.00	38.77	.00
9/14	.00	.00	.00	.00	36.40	.00
9/15	.00	.00	.00	.00	34.09	.00
9/16	.00	.00	.00	.00	32.02	.00
9/17	.00	.00	.00	.00	29.82	.00

Prepile Premium

- The prepile premium is a calculation designed to compensate the shareholder for unrealized gains in sugar and tonnage
- The premium is a percentage of the calculated payment for the tons delivered during prepile
- The Prepile Premium Percentage for any given day is the same for all shareholders delivering on that day

Prepile Premium Percentage

- Three calculations make up the prepile premium percentage
 1. Base payment
 2. Sugar premium
 3. Growth premium

Prepile Premium Percentage

This is only used to determine the
RRV daily premium percentage
2010 Payment Variables

- Base Payment = $(RST - 50.2) * 0.31500 + 5.58 - 40.00$
 - $(RST - \text{Other sugar losses}) * \text{Sugar net selling price} + \text{Agri-Products revenue} - \text{Operating costs}$
- Sugar Premium = $(\text{Day} * 1.395 + 8.372) * 0.31500$
 - $(\text{Day} * \text{Sugar growth per day} + \text{"Give In"}) * \text{Sugar net selling price}$
 - "Give In" is the RST difference between last day of prepile and the point when harvest is 50% complete.
- Growth Premium = $\text{Day} * \text{Tonnage Growth \% per Day} * \text{Average Payment}$
- Sugar Premium + Growth Premium = Combined Premium
- Combined Premium / Base Payment = **Prepile Premium Percentage**

PREPILE BEET PAYMENT AND PREMIUM

PREPILE HARVEST	PREPILE NET TONS	SUGAR %	SUGAR LTM %	PREPILE GROSS BEET PAYMENT	PREPILE PREMIUM PERCENTAGE	PREPILE GROSS BEET PAYMENT W/PREMIUMS
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8/20	.00	.00	.00	.00	124.87	.00
8/21	.00	.00	.00	.00	119.03	.00
8/22	.00	.00	.00	.00	113.95	.00
8/23	.00	.00	.00	.00	108.49	.00
8/24	.00	.00	.00	.00	103.76	.00
8/25	.00	.00	.00	.00	99.16	.00
8/26	.00	.00	.00	.00	95.18	.00
8/27	.00	.00	.00	.00	90.84	.00
8/28	.00	.00	.00	.00	86.66	.00
8/29	.00	.00	.00	.00	83.06	.00
8/30	.00	.00	.00	.00	79.52	.00
8/31	.00	.00	.00	.00	75.68	.00
9/01	.00	.00	.00	.00	72.36	.00
9/02	.00	.00	.00	.00	69.09	.00
9/03	.00	.00	.00	.00	65.93	.00
9/04	.00	.00	.00	.00	62.87	.00
9/05	.00	.00	.00	.00	59.87	.00
9/06	.00	.00	.00	.00	56.94	.00
9/07	.00	.00	.00	.00	54.11	.00
9/08	.00	.00	.00	.00	51.33	.00
9/09	.00	.00	.00	.00	48.64	.00
9/10	.00	.00	.00	.00	46.04	.00
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9/15	.00	.00	.00	.00	34.09	.00
9/16	.00	.00	.00	.00	32.02	.00
9/17	.00	.00	.00	.00	29.82	.00
9/18	.00	.00	.00	.00	27.67	.00
9/19	.00	.00	.00	.00	25.71	.00
9/20	.00	.00	.00	.00	23.66	.00
9/21	.00	.00	.00	.00	21.67	.00
9/22	.00	.00	.00	.00	19.82	.00
9/23	.00	.00	.00	.00	17.93	.00
9/24	.00	.00	.00	.00	16.14	.00
9/25	.00	.00	.00	.00	14.35	.00
9/26	.00	.00	.00	.00	12.63	.00
9/27	.00	.00	.00	.00	10.91	.00
9/28	.00	.00	.00	.00	9.28	.00
9/29	.00	.00	.00	.00	7.63	.00
9/30	.00	.00	.00	.00	6.05	.00
10/01	.00	.00	.00	.00	.00	.00

Calculating the Prepile Quality Premium for a Contract

- For the beets delivered each day of prepile, a payment is calculated.

PREPILE BEET PAYMENT AND PREMIUM

PREPILE HARVEST DATE	PREPILE NET TONS	SUGAR %	SUGAR LTM %	PREPILE GROSS BEET PAYMENT	PREPILE PREMIUM PERCENTAGE	PREPILE GROSS BEET PAYMENT W/PREMIUMS
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8/22	.00	.00	.00	.00	113.95	.00
8/23	.00	.00	.00	.00	108.49	.00
8/24	.00	.00	.00	.00	103.76	.00
8/25	.00	.00	.00	.00	99.16	.00
8/26	.00	.00	.00	.00	95.18	.00
8/27	.00	.00	.00	.00	90.84	.00
8/28	.00	.00	.00	.00	86.66	.00
8/29	.00	.00	.00	.00	83.06	.00
8/30	.00	.00	.00	.00	79.52	.00
8/31	.00	.00	.00	.00	75.68	.00
9/01	.00	.00	.00	.00	72.36	.00
9/02	.00	.00	.00	.00	69.09	.00
9/03	.00	.00	.00	.00	65.93	.00
9/04	.00	.00	.00	.00	62.87	.00
9/05	.00	.00	.00	.00	59.87	.00
9/06	.00	.00	.00	.00	56.94	.00
9/07	.00	.00	.00	.00	54.11	.00
9/08	.00	.00	.00	.00	51.33	.00
9/09	.00	.00	.00	.00	48.64	.00
9/10	.00	.00	.00	.00	46.04	.00
9/11	.00	.00	.00	.00	43.48	.00
9/12	.00	.00	.00	.00	41.21	.00
9/13	.00	.00	.00	.00	38.77	.00
9/14	.00	.00	.00	.00	36.40	.00
9/15	.00	.00	.00	.00	34.09	.00
9/16	.00	.00	.00	.00	32.02	.00
9/17	.00	.00	.00	.00	29.82	.00
9/18	.00	.00	.00	.00	27.67	.00
9/19	.00	.00	.00	.00	25.71	.00
9/20	.00	.00	.00	.00	23.66	.00
9/21	.00	.00	.00	.00	21.67	.00
9/22	.00	.00	.00	.00	19.82	.00
9/23	.00	.00	.00	.00	17.93	.00
9/24	.00	.00	.00	.00	16.14	.00
9/25	.00	.00	.00	.00	14.35	.00
9/26	.00	.00	.00	.00	12.63	.00
9/27	.00	.00	.00	.00	10.91	.00
9/28	.00	.00	.00	.00	9.28	.00
9/29	.00	.00	.00	.00	7.63	.00
9/30	.00	.00	.00	.00	6.05	.00
10/01	.00	.00	.00	.00	.00	.00

Calculating the Prepile Quality Premium for a Contract

- The premium percentage for that day is then added to the calculated payment to show the value of the beets delivered each day of prepile.

PREPILE BEET PAYMENT AND PREMIUM

PREPILE HARVEST	PREPILE			PREPILE GROSS	PREPILE PREMIUM	PREPILE GROSS
<u>DATE</u>	<u>NET TONS</u>	<u>SUGAR %</u>	<u>SUGAR LTM %</u>	<u>BEET PAYMENT</u>	<u>PERCENTAGE</u>	<u>BEET PAYMENT W/PREMIUMS</u>
8/17	43.01	.00	.00	34.63	145.03	84.85
8/18	208.01	14.70	1.16	35.07	137.84	83.41
8/19	.00	.00	.00	.00	130.94	.00
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8/17	$\$34.63 * 145.03\% = \50.22	$\$50.22 + \$34.63 = \$84.85$
8/18	$\$35.07 * 137.84\% = \48.34	$\$48.34 + \$35.07 = \$83.41$

Calculating the Prepiled Quality Premium for a Contract

- The prepiled premium percentage multiplied by the prepiled gross beet payment multiplied by the net tons is calculated for each day beets were delivered during prepiled.
- Each daily result is added together and divided by the total net prepiled tons to determine the prepiled quality premium

PREPILE BEET PAYMENT AND PREMIUM

PREPILE HARVEST DATE	PREPILE NET TONS	SUGAR %	SUGAR LTM %	PREPILE GROSS BEET PAYMENT	PREPILE PREMIUM PERCENTAGE	PREPILE GROSS BEET PAYMENT W/PREMIUMS
8/17	43.01	.00	.00	34.63	145.03	84.85
8/18	208.01	14.70	1.16	35.07	137.84	83.41
8/19	.00	.00	.00	.00	130.94	.00
8/20	.00	.00	.00	.00	124.87	.00

$$8/17 \quad \$34.63 * 145.03\% = \$50.22 \quad \$50.22 * 43.01 = \$ 2,159.96$$

$$8/18 \quad \$35.07 * 137.84\% = \$48.34 \quad \$48.34 * 208.01 = \underline{\$10,055.20}$$

$$\$12,215.16$$

Total Net Tons Delivered: 1,491.90

Total Net Tons Delivered During Prepile: 251.02

$$\$12,215.16 / 251.02 = \underline{\$48.68}$$

AMERICAN CRYSTAL SUGAR COMPANY
BEET GROWER STATEMENT
2010 CROP

	(A)	(B)	(C)
	PAYMENT CALCULATION OF PREPILE TONS	PAYMENT CALCULATION OF STOCKPILE TONS	BEET GROWER STATEMENT
1 RAW TONS	254.64	1,255.84	1,510.48
2 TARE PERCENT	1.42	1.19	1.23
3 NET TONS	251.02	1,240.90	1,491.90
SUGAR PERCENT	14.70	19.15	18.40
SUGAR LOSS TO MOLASSES	1.16	1.02	1.04
4 SUGAR DELIVERED	294.0	383.0	368.0
5 SUGAR LOSS TO MOLASSES	(23.2)	(20.4)	(20.8)
6 OTHER SUGAR LOSSES	(50.2)	(50.2)	(50.2)
7 POUNDS OF SUGAR RECOVERED	220.6	312.4	297.0
8 NET SELLING PRICE PER POUND	<u>\$.31500</u>	<u>\$.31500</u>	<u>\$.31500</u>
9 SUGAR REVENUE PER NET TON OF BEETS	\$69.49	\$98.41	\$93.56
10 AGRI-PRODUCTS REVENUE	5.58	5.58	5.58
11 OPERATING COSTS	(40.00)	(40.00)	(40.00)
12 GROSS BEET PAYMENT	<u>\$ 35.07</u>	<u>\$ 63.99</u>	<u>\$ 59.14</u>
13 HAULING ALLOWANCE	1.00	1.00	1.00
14 HAULING ALLOWANCE COST	(1.42)	(1.42)	(1.42)
15 <u>PREPILE QUALITY PREMIUM</u>	<u>48.68</u>	.00	8.19
16 <u>PREPILE QUALITY PREMIUM COST</u>	<u>(4.30)</u>	(4.30)	(4.30)
17 TARE INCENTIVE PREMIUM	.00	1.24	1.03
18 TARE INCENTIVE PENALTY	.00	(.60)	(.50)
19 UNIT RETAIN	<u>(2.00)</u>	<u>(2.00)</u>	<u>(2.00)</u>
20 NET BEET PAYMENT	<u>\$ 77.03</u>	<u>\$ 57.91</u>	<u>\$ 61.14</u>

COLUMN C = WEIGHTED AVERAGE OF COLUMNS A & B, WEIGHTED BY NET TONS

Taking the Prepile Premium to the Beet Grower Statement

- The Prepile Quality Premium is multiplied by the net tons delivered during prepile, then divided by the total net tons delivered to determine the value on a per ton basis for the Beet Grower Statement.

AMERICAN CRYSTAL SUGAR COMPANY
BEET GROWER STATEMENT
2010 CROP
NOVEMBER 15, 2010 PAYMENT

$$A * B / C = D$$

	(A)	(B)	(C)
	PAYMENT CALCULATION OF PREPILE TONS	PAYMENT CALCULATION OF STOCKPILE TONS	BEET GROWER STATEMENT
1 RAW TONS	254.64	1,255.84	1,510.48
2 TARE PERCENT	1.42	1.19	1.23
3 NET TONS	B 251.02	1,240.90	C 1,491.90
SUGAR PERCENT	14.70	19.15	18.40
SUGAR LOSS TO MOLASSES	1.16	1.02	1.04
4 SUGAR DELIVERED	294.0	383.0	368.0
5 SUGAR LOSS TO MOLASSES	(23.2)	(20.4)	(20.8)
6 OTHER SUGAR LOSSES	(50.2)	(50.2)	(50.2)
7 POUNDS OF SUGAR RECOVERED	220.6	312.4	297.0
8 NET SELLING PRICE PER POUND	<u>\$.31500</u>	<u>\$.31500</u>	<u>\$.31500</u>
9 SUGAR REVENUE PER NET TON OF BEETS	\$69.49	\$98.41	\$93.56
10 AGRI-PRODUCTS REVENUE	5.58	5.58	5.58
11 OPERATING COSTS	(40.00)	(40.00)	(40.00)
12 GROSS BEET PAYMENT	<u>\$ 35.07</u>	<u>\$ 63.99</u>	<u>\$ 59.14</u>
13 HAULING ALLOWANCE	1.00	1.00	1.00
14 HAULING ALLOWANCE COST	(1.42)	(1.42)	(1.42)
15 PREPILE QUALITY PREMIUM	A 48.68	.00	D 8.19
16 PREPILE QUALITY PREMIUM COST	(4.30)	(4.30)	(4.30)
17 TARE INCENTIVE PREMIUM	.00	1.24	1.03
18 TARE INCENTIVE PENALTY	.00	(.60)	(.50)
19 UNIT RETAIN	<u>(2.00)</u>	<u>(2.00)</u>	<u>(2.00)</u>
20 NET BEET PAYMENT	<u>\$ 77.03</u>	<u>\$ 57.91</u>	<u>\$ 61.14</u>

COLUMN C = WEIGHTED AVERAGE OF COLUMNS A & B, WEIGHTED BY NET TONS

AMERICAN CRYSTAL SUGAR COMPANY
BEET GROWER STATEMENT
2010 CROP
NOVEMBER 15, 2010 PAYMENT

TONS DELIVERED TO RECEIVING STATIONS						
STATION	(1) RAW TONS			(3) NET TONS AT DIRT TARE PERCENTAGE		
	CURRENT	PRIOR	YEAR-TO-DATE	(2) CURRENT	PRIOR	YEAR-TO-DATE
810-E GRAND	1,510.48		1,510.48	1,491.90		1,491.90
	1,510.48		1,510.48	1,491.90		1,491.90

COMPUTATION OF BEET PAYMENT PER NET TON						
	PRIOR PERCENT	YEAR-TO-DATE PERCENT		PRIOR	YEAR-TO-DATE	
(4) Sugar Delivered		18.40			368.0	
(5) Sugar Loss To Molasses		(1.04)			(20.8)	
(6) Other Sugar Losses					(50.2)	
(7) Pounds of Sugar Recovered Per Net Ton of Beets					297.0	
(8) Net Selling Price Per Pound of Sugar Recovered					\$.31500	
(9) Sugar Revenue Per Net Ton of Beets					\$ 93.56	
(10) Agri-Products Revenue					5.58	
(11) Operating Costs					(40.00)	
(12) Gross Beet Payment					\$ 59.14	
(13) Hauling Allowance			14.64 MILES X \$.068 =		1.00	
(14) Hauling Allowance Cost					(1.42)	
(15) Prepile Quality Premium					8.19	
(16) Prepile Quality Premium Cost					(4.30)	
(17) Tare Incentive Premium					1.03	
(18) Tare Incentive Penalty					(.50)	
(19) Unit Retain					(2.00)	

Calculating the Tare Incentive Premium and Penalty

Tare Incentive Policy

- All shareholders (on a contract basis) will be charged \$0.50 per ton per each 1% tare for each ton delivered during stockpile, prorated for each .01% tare.
- An average tare percent for each receiving station during stockpile will be calculated.
- All shareholders (on a contract by contract basis) will receive an allowance of \$0.50 per ton multiplied by the contracted station average stockpile tare percent for each ton delivered during stockpile. The allowance will be prorated for each .01% tare.

Tare Incentive Premium

Determine the shareholder's individual dollar value of premium for each contract

- Take the station average stockpile tare percent and multiply by the established premium rate to get the station tare premium
($2.48 * \$0.50 = \1.24)
- Take the station tare premium rate and multiply by the stockpile net tons to get the preliminary dollar value of premium
($\$1.24 * 1,240.90 = \$1,538.72$)
- Determine the beet payment statement premium rate per ton by dividing the preliminary dollar value of premium by the contract net tons
($\$1,538.72 / 1,491.90 = \mathbf{\$1.03}$)

**AMERICAN CRYSTAL SUGAR COMPANY
BEET GROWER STATEMENT
2010 CROP
NOVEMBER 15, 2010 PAYMENT**

TONS DELIVERED TO RECEIVING STATIONS						
STATION	(1) RAW TONS			(3) NET TONS AT DIRT TARE PERCENTAGE		
	CURRENT	PRIOR	YEAR-TO-DATE	(2) CURRENT	PRIOR	1.23 YEAR-TO-DATE
810-E GRAND	1,510.48		1,510.48	1,491.90		1,491.90
	1,510.48		1,510.48	1,491.90		1,491.90

COMPUTATION OF BEET PAYMENT PER NET TON						
	PRIOR PERCENT	YEAR-TO-DATE PERCENT		PRIOR	YEAR-TO-DATE	
(4) Sugar Delivered		18.40			368.0	
(5) Sugar Loss To Molasses		(1.04)			(20.8)	
(6) Other Sugar Losses					(50.2)	
(7) Pounds of Sugar Recovered Per Net Ton of Beets					297.0	
(8) Net Selling Price Per Pound of Sugar Recovered					\$ 315.00	
(9) Sugar Revenue Per Net Ton of Beets					\$ 93.56	
(10) Agri-Products Revenue					5.58	
(11) Operating Costs					(40.00)	
(12) Gross Beet Payment					\$ 59.14	
(13) Hauling Allowance		14.64 MILES X \$.068 =			1.00	
(14) Hauling Allowance Cost					(1.42)	
(15) Prepile Quality Premium					8.19	
(16) Prepile Quality Premium Cost					(4.30)	
(17) Tare Incentive Premium					1.03	
(18) Tare Incentive Penalty					(.50)	
(19) Unit Retain					(2.00)	
(20) Net Beet Payment					\$ 61.14	
(21) Year-To-Date Payment Percentage					65%	
(22) Year-To-Date Net Beet Payment					\$ 39.74	

COMPUTATION OF AMOUNT ENCLOSED						
(23) Year-To-Date Payment		1,491.90 X \$39.74 =				\$ 59,288.11
(24) Prior Payments						
(25) This Payment Before Deductions						\$ 59,288.11
Deductions:						
(26) Station	810					
(27) Freight Charges						
(28) Local Association Dues	3.73					(3.73)
(29) Grower Association Dues		\$.12750 X 1,491.90				(190.22)

Tare Incentive Penalty

Determine the shareholder's individual dollar value of penalty for each contract.

- Take the shareholder's stockpile tare percent times the established premium rate to get the tare penalty rate
($1.19 * \$0.50 = \0.60)
- Take the penalty rate times the stockpile net tons to get the preliminary dollar value of tare penalty
($\$0.60 * 1,240.90 = \744.54)
- Determine the beet payment statement penalty rate per ton by dividing the preliminary dollar value of penalty by the contract net tons
($\$744.54 / 1,491.90 = \mathbf{\$0.50}$)

**AMERICAN CRYSTAL SUGAR COMPANY
BEET GROWER STATEMENT
2010 CROP
NOVEMBER 15, 2010 PAYMENT**

TONS DELIVERED TO RECEIVING STATIONS						
STATION	(1) RAW TONS			(3) NET TONS AT DIRT TARE PERCENTAGE		
	CURRENT	PRIOR	YEAR-TO-DATE	(2) CURRENT	PRIOR	1.23 YEAR-TO-DATE
810-E GRAND	1,510.48		1,510.48	1,491.90		1,491.90
	1,510.48		1,510.48	1,491.90		1,491.90

COMPUTATION OF BEET PAYMENT PER NET TON						
			PRIOR PERCENT	YEAR-TO-DATE PERCENT	PRIOR	YEAR-TO-DATE
(4) Sugar Delivered				18.40		368.0
(5) Sugar Loss To Molasses				(1.04)		(20.8)
(6) Other Sugar Losses						(50.2)
(7) Pounds of Sugar Recovered Per Net Ton of Beets						297.0
(8) Net Selling Price Per Pound of Sugar Recovered						\$.31500
(9) Sugar Revenue Per Net Ton of Beets						\$ 93.56
(10) Agri-Products Revenue						5.58
(11) Operating Costs						(40.00)
(12) Gross Beet Payment						\$ 59.14
(13) Hauling Allowance		14.64 MILES X \$.068 =				1.00
(14) Hauling Allowance Cost						(1.42)
(15) Prepile Quality Premium						8.19
(16) Prepile Quality Premium Cost						(4.30)
(17) Tare Incentive Premium						1.00
(18) Tare Incentive Penalty						(.50)
(19) Unit Retain						(2.00)
(20) Net Beet Payment						\$ 61.14
(21) Year-To-Date Payment Percentage						65%
(22) Year-To-Date Net Beet Payment						\$ 39.74

COMPUTATION OF AMOUNT ENCLOSED						
(23) Year-To-Date Payment			1,491.90 X \$39.74 =			\$ 59,288.11
(24) Prior Payments						
(25) This Payment Before Deductions						\$ 59,288.11
Deductions:						
(26) Station	810					
(27) Freight Charges						
(28) Local Association Dues	3.73					(3.73)
(29) Grower Association Dues			\$.12750 X 1,491.90			(190.22)

Computation of Amount Enclosed

(20) Net Beet Payment		\$ 61.14
(21) Year-To-Date Payment Percentage		65%
(22) Year-To-Date Net Beet Payment		\$ 39.74

COMPUTATION OF AMOUNT ENCLOSED						
(23) Year-To-Date Payment	1,491.90	X	\$39.74	=		\$ 59,288.11
(24) Prior Payments						
(25) This Payment Before Deductions						\$ 59,288.11
Deductions:						
(26) Station	810					
(27) Freight Charges						
(28) Local Association Dues	3.73					(3.73)
(29) Grower Association Dues	\$.12750	X	1,491.90			(190.22)