

PorkWorks Multiple Fill Request

Agreement # _____
(For internal use only)

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between Cargill Pork, a business unit of CARGILL, INCORPORATED, a Delaware corporation with an office at 915 West Main, Suite C, Russellville AR 72801-0699 (hereinafter referred to as "Cargill"), and

_____ DBA _____
Proprietorship/Partnership/Corp.
(Please circle one)

_____ Address _____ City _____

_____ County _____ State _____ Zip Code _____

_____ Social Security Number or Taxpayer Identification Numbers

(hereinafter referred to as the "Producer").

Acknowledgment by Producer:

Cargill is in the business of supplying PorkWorks P2 pigs (hereinafter referred to as "P2 Pigs") to Producers. Cargill's demand for P2 Pigs far exceeds Cargill's ability to supply said demand. As a result, Cargill is taking requests for P2 Pigs from Producers with the understanding that the initial fill date as set forth below may not be met on time or at all. Producer must share this risk of uncertainty in order for Cargill to proceed in the processing of Producer's Request. Nevertheless, if the initial fill date is met and P2 Pigs are delivered to the Producer in the quantity set forth below, all terms and conditions of this Request shall be in full force and effect.

Notwithstanding the foregoing or anything to the contrary in this Request, Cargill may void this Request within 30 days after Producer executes this Request without penalty or liability to Cargill. If Cargill fails to submit a written cancellation to Producer within said 30 days, Producer shall be bound to accept delivery of P2 Pigs when Cargill can deliver same regardless of any date set forth below, unless otherwise agreed to between the parties. All other terms and conditions below being in full force and effect. Cargill will coordinate the initial delivery date with Producer.

I, _____ (Producer), acknowledge that I have read and understand the above and will proceed with the execution of this Request to my detriment.

This contract has been downloaded from the Iowa Department of Justice <https://www.iowadotcomgeneral.gov/>. Viewing has been authorized free of charge

Signature

Date

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, the parties agree as follows:

A. Cargill Agrees:

1. To use its best efforts to provide for purchase by the Producer approximately _____ head of P2 Pigs ("Group") with a Group average weight of between 45 and 65 pounds from Cargill's off-site nurseries or other nurseries as designated by Cargill. These pigs will be delivered to Producer at one or more of Producer's facilities at the address stated above or as instructed by Producer. The initial date for the delivery of the first Group of P2 Pigs shall be on or about _____. Cargill shall deliver _____ Groups of P2 Pigs in the quantities as set forth above in consecutive orderly Turns with each Turn not to exceed 24 weeks between the prior delivery of P2 Pigs. For the purposes of this Request, a Turn shall mean the sale and replenishment of P2 Pigs by Producer. For the purposes of this Request, a Turn shall mean the placement of 1 Group of P2 Pigs at Producer's facilities pursuant to this Request. The total number of P2 Pigs requested by Producer and delivered by Cargill under this Request shall be _____ head. Attached as Exhibit A is an anticipated delivery schedule showing approximate order sizes and delivery dates. In the event Producer desires to receive P2 Pigs at multiple facilities, Exhibit A may be duplicated for each facility Producer desires delivery and marked with the facility name.

Notwithstanding the foregoing, it is expressly understood by the Producer that regardless of the number of facilities that Producer uses to receive P2 Pigs, Producer shall not be entitled to more P2 Pigs, per Turn, than set forth in this Section.

2. To fill orders for a single building or site at up to 2,400 head capacity from a single source nursery, provided, however, that Cargill may fill orders for more than a single building or site of more than 2,400 head capacity, from one or more Cargill nurseries or other nurseries as designated by Cargill.

B. Producer Agrees:

1. To purchase from Cargill all P2 Pigs delivered by Cargill to Producer under the terms of this Request.

2. That notwithstanding anything in this Request to the contrary, Cargill's obligation is to use its best efforts to deliver P2 Pigs equal to at least ninety-

eight percent (98%) of the number of P2 Pigs requested by the Producer (98% of the number requested hereinafter referred to as the "Tolerance Amount"). The final number of P2 Pigs delivered on any Fill date shall be determined no later than 48 hours after the time of delivery, and shall be net of the number of P2 Pigs which arrive dead, die within 48 hours of delivery, or are 100% discount pigs.

3. In the event Cargill delivers a Fill of pigs which, after deducting pigs arriving dead, dying within 48 hours of delivery, or 100% discount pigs, is less than the Tolerance Amount, then Cargill shall, in its sole discretion and as Producer's sole remedy, either (i) promptly deliver from the same single nursery source additional P2 Pigs to Producer so that, after delivery of the additional pigs, the total number delivered against the Request order is at least the Tolerance Amount, or (ii) pay to Producer a sum equal to \$.49 per week times the number of weeks used for the current Group of pigs based on the then applicable Matrix for each pig not delivered below the Tolerance Amount. Any sums paid under this section B(3) shall be paid at the end of the relevant turn.

4. In the event Cargill delivers more than the number of P2 Pigs requested, Producer shall purchase any such pigs under the terms of this Request, unless Cargill and Producer otherwise agree in writing.

5. That all claims for deficiencies (other than dead pigs, or pigs with clinical sickness as determined in accordance with the PorkWorks Health and Veterinary Procedures stated in Exhibit B - the "H & V Procedures") in the P2 Pigs sold and purchased under this Request, and which are discovered within 48 hours of delivery, are to be fully and finally settled between Cargill and Producer by either (at Cargill's sole discretion): (i) Cargill's replacement of the deficient pigs, or (ii) the allowance for discounts in accordance with Cargill's current PorkWorks Blemished Pig Adjustment Policy (the "Blemish Policy"), which may be amended or adjusted by Cargill from time to time. A copy of the current Blemish Policy is attached hereto as Exhibit C. Producer agrees that the provisions of the Blemish Policy constitute its sole remedy against Cargill for any such deficient pigs.

6. That in the event any pigs delivered under this Request show observable, clinical sickness (other than deficiencies addressed in the Blemish Policy) within forty eight (48) hours of their delivery, then the notice, documentation, evaluation and compensation provisions of the H & V Procedures shall apply to such pigs. Producer agrees that the provisions of the H & V Procedures constitute Producer's sole remedy against Cargill for any such pigs, and acknowledges that Cargill has no liability for pigs which first show an observable, clinical sickness more than 48 hours after delivery.

7. To feed only Cargill-recommended products to the P2 Pigs purchased under this Request.

8. To dispose of all pigs which arrive dead or which die at any time

after delivery. Such disposal shall be in accordance with sound and generally accepted disposal methods, and in compliance with all applicable health and environmental laws and regulations.

9. That this Request is for the number of Fills and the total number of P2 Pigs stated in Section A(1) above, and that Cargill has no obligation to accept, in whole or in part, any future Requests from Producer.

10. To euthanize and properly dispose of all P2 Pigs which Producer may claim have no value.

C. Purchase Price and Payment.

1. The purchase price for all pigs sold and purchased under this Request shall be the price then published by Cargill for its PorkWorks P2 Pigs during the week immediately preceding the week the pigs are delivered, subject to any adjustments as stated in Section B above. If for any reason Cargill does not publish its PorkWorks P2 prices during any week prior to the week of delivery, the price of PorkWorks P2 Pigs shall be the last price published by Cargill.

2. Payment for all sums due by Producer to Cargill under this Request, including without limitation the purchase price for all pigs and feed sold by Cargill to Producer hereunder, is due upon receipt of Cargill's invoice, or, for sums due for the purchase of pigs, upon the signing of all receiving documents. All pig and feed payments shall be by Cargill's direct draw on Producer's bank account via the "automated clearing house or ACH" system or by such other payment method as Cargill may reasonably direct Producer. Producer agrees to provide all notices to its bank or other financial institutions, and to sign and deliver all authorizations, certificates and other documents necessary to establish an account which allows Cargill the right to make direct draws as contemplated by this Section C. In the event Cargill makes a draw on Producer's account but the account does not have sufficient funds to pay, or for any other reason Cargill is not able to make a direct draw for payment in full on Producer's account for purchases outstanding, Producer shall arrange for immediate payment to Cargill by certified or cashier's check or other wire transfer, as Cargill may reasonably instruct Producer. If Producer fails to make payment as required hereunder, Cargill may suspend future shipment of pigs (without downtime pay or other penalty) until Producer makes such payment and provides Cargill with adequate assurance that future payments will be made in a timely manner. In addition, any unpaid accounts shall bear interest at the rate of the lower of the then effective prime rate published under "Money Rates" by the Wall Street Journal plus two (2) percent per annum, or the maximum applicable lawful interest rate.

3. To secure payment due Cargill hereunder, Producer hereby grants Cargill a purchase money security interest in all pigs delivered pursuant to this Agreement.

D. Pricing Matrix.

1. Producer and Cargill understand that the parties have discussed and agreed that, **assuming** Producer operates within the assumptions stated below, Producer may be able to realize, for the pigs sold and purchased under this Request, a return per pig space per year (this number hereinafter the "Annual Return") as stated on the matrix prepared by Cargill for Producer. The Annual Return is based upon Cargill's matrix developed for Producer, including the current assumption for feeding programs which include complete, concentrate or base mix swine feed products, as appropriate, a copy of which is attached as Exhibit D. Producer confirms, by signing this Request, that Producer has seen a copy of this matrix, Producer understands it, and has had an opportunity to discuss same with a Cargill representative to Producer's satisfaction, including but not limited to the assumptions behind the matrix and the operation of the matrix which leads to the calculation of the Annual Return.

a. Cargill reserves the right, in its sole discretion, to update or amend the matrix from time to time as market or other conditions may dictate.

b. **CARGILL DOES NOT GUARANTEE THE ANNUAL RETURN TO THE PRODUCER.** If this Request provides for less than three consecutive Turns, and thus less than one full year of feeding and finishing Cargill PorkWorks Pigs by Producer, Producer's actual return per P2 Pig will more than likely be reduced below the Annual Return in a similar proportion. **WHILE CARGILL BELIEVES THAT THE PRODUCER WOULD HAVE THE POTENTIAL TO REACH THE ANNUAL RETURN BASED UPON, AMONG OTHER THINGS, CARGILL'S KNOWLEDGE OF PRODUCER'S OPERATIONS, PRODUCER'S ACTUAL RETURN PER PIG SPACE PER YEAR MAY VARY FROM THE ANNUAL RETURN. FURTHER, THE ANNUAL RETURN ASSUMES, AMONG OTHER THINGS, THE FOLLOWING, OVER WHICH CARGILL HAS NO CONTROL:**

1. that Producer forwards contracts for the sale of the pigs delivered under this Request on or about the same date that Cargill prices the pigs to the Producer,

2. that Producer fixes its feed requirements and prices on or about the date of delivery of the pigs, and

3. that Producer exercises sound and generally accepted animal husbandry practices in the care, management and feeding of the pigs, and that Producer does not experience any unanticipated health problems. The failure of the Producer to operate within these assumptions will make the matrix and the calculation of the Annual Return essentially meaningless.

E. Rescheduling and Cancellation.

1. Notwithstanding anything to the contrary as set forth in any other Section of this Request, both Cargill and Producer have the right to delay a Single Fill

one time per Fill for up to 60 days, in whole or in part and without penalty, at any time up to two (2) weeks prior to the shipment week. In the event Producer delays or reschedules a Single Fill order in whole or in part within the two (2) week period prior to the shipment week, then Producer shall pay to Cargill a rescheduling charge of \$5 per head for those pigs not delivered as scheduled.

2. Both Cargill and Producer have the right to cancel this Request in whole at any time subject to the following terms:

The canceling party shall pay to the non-canceling party liquidated damages equal to the amount as calculated pursuant to the formula below:

$\$.07/\text{day} \times 133 \text{ days (133 days equals one fill)} =$
 $\$9.31/\text{head}.$

$\$9.31/\text{head} \times \text{the number of pigs per fill} \times 2 = \text{liquidated}$
damages for the non-canceling party.

3. Notwithstanding anything in this Request to the contrary:

a. Cargill may, in its sole discretion, treat any request by Producer to (i) cancel more than 50% of the original number of PorkWorks Pigs ordered, or (ii) reduce the number of pigs ordered below 200 or such other minimum order amount as Cargill may notify Producer from time to time, as a complete cancellation, at which time this Request shall automatically terminate, subject to Producer's obligation to pay to Cargill liquidated damages pursuant to the formula as set forth in Section E(2) above, and

b. Cargill shall consider all requests to reschedule deliveries in good faith, but shall not be compelled to agree to any rescheduling of deliveries more than 2 weeks before or 2 weeks beyond the final delivery week stated in Section A(1) above. In the event Producer requests a delivery week outside this period, Cargill may, in its sole discretion, consider this request as a cancellation of the number of pigs requested to be so rescheduled and Producer shall pay Cargill liquidated damages pursuant to the formula as set forth above in Section E(2).

4. In the event Cargill fails to deliver all or any part of a single fill by the end of the week following the agreed target delivery week, Cargill will pay to Producer a sum equal to \$.49 per week per pig for each week that any PorkWorks Pig is delivered late, provided that Producer's facility is empty and ready to receive Cargill's PorkWorks Pigs at all times during the period for which such sum is paid, and provided that in no event shall the aggregate amount paid for any late pig exceed \$9.31 per head. Payment from Cargill shall be due to the Producer 140 days after the scheduled delivery date. In the event that during the delay period the Producer fills the space intended for housing Cargill's PorkWorks Pigs with pigs from any other seller or source, Cargill's obligations under this Request shall automatically cease, Producer's action

shall be considered a cancellation and Producer shall pay Cargill liquidated damages pursuant to the formula as set forth above in Section E(2).

F. Notices.

All notices required to be given hereunder shall be in writing and shall be sent by postage prepaid, certified or registered mail to the address below:

If to Producer:

If to Cargill:

Cargill Pork
P.O. Box 699
209 West Main, Suite 1
Russellville AR 72801-0699

G. Governing Law.

This Request shall be governed by and construed according to the laws of the State of Arkansas, without giving effect to its conflicts of laws principles.

H. Arbitration.

Any and all controversies, disputes and claims arising out of or relating to this Request shall be settled by arbitration in Little Rock, Arkansas, or such other location as the parties may agree in writing. The arbitration shall be before a panel of three arbitrators, with each party to choose its own arbitrator, and the third being chosen by agreement between the two party-appointed arbitrators. In the event the two party-appointed arbitrators cannot agree on a third within 60 days of the appointment of the second arbitrator, then both parties shall apply to the American Arbitration Association ("AAA") for the appointment of the remaining arbitrator. Any arbitration is to be conducted in accordance with the then existing general commercial arbitration rules of the AAA, and judgment upon the award of the arbitrators may be entered in any court having jurisdiction.

I. Incorporation by Reference. Exhibits A through D attached hereto are hereby incorporated by reference and made a part of this Request.

J. Miscellaneous.

1. This Request shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided that Producer may not assign this agreement in whole or in part without the prior written consent of

Cargill. Any attempted assignment in violation of this provision shall be void.

2. Neither party shall be responsible for the delay or failure to perform its obligations hereunder when due to circumstances beyond its reasonable control, which shall include, but are not limited to, the generality of the foregoing: severe weather conditions, disease, governmental action, etc. Without limiting the foregoing, Producer understands and acknowledges that Cargill shall not be liable for any delay or failure to perform if state or federal government prevents Cargill from shipping pigs across state lines or into Producer's home state.

3. Producer warrants that he/she has read and understands this Request, acknowledges that this document sets forth the entire and only agreement between Cargill and Producer, and understands that this Request supersedes any prior or subsequent verbal or implied representations or understandings. This Request can only be modified by written agreement signed by both parties.

4. THIS REQUEST IS NOT VALID UNLESS IT CONTAINS THE SIGNATURE OF A PORKWORKS BUSINESS MANAGER FOR CARGILL. NO OTHER CARGILL EMPLOYEE IS AUTHORIZED TO SIGN ON CARGILL'S BEHALF.

THIS REQUEST CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties have signed this document on the date written above.

CARGILL, INCORPORATED
Cargill Pork Business Unit

BY: _____
Authorized Manager

Witness

PRODUCER

Proprietor/Gen. Partner/Officer
(Please circle one)

Witness

Proprietor/Gen. Partner/Officer
(Please circle one)

Recommended by:
Territory Manager _____

Date: 1/01

NOTE TO PRODUCER: The territory manager may not bind Cargill to this Request. This Request is binding upon Cargill only when signed by a Designated Cargill Business Manager.

This contract has been downloaded from the Iowa Department of Justice <https://www.iowattorneygeneral.gov/>. Viewing has been authorized free of charge

EXHIBIT B**PorkWorks Pig Health and Veterinarian Procedures**

- A. Producer shall follow the PorkWorks Health and Veterinarian Procedures ("H&V Procedures") for any group of pigs which arrive exhibiting specific and definitive signs of clinical sickness or which exhibit specific and definitive signs of clinical sickness within 48 hours after the time of arrival of the pigs at Producer's facility (each such pig a "Sick Pig"). Producer understands that Cargill will not make any allowance or provide any compensation to Producer for any Sick Pig identified more than 48 hours after the time of delivery of the Sick Pig to Producer's facility, or where Producer does not strictly follow the procedures set forth below.**
- B. Producer shall complete a PorkWorks Health Feedback Form (the "Form"), a copy of which is attached, covering any and all Sick Pigs delivered, and fax the Form to Dr. Eric Christianson, D.V.M. at fax number (641) 592-1291, or to such other person(s) and number(s) as Cargill may notify Producer from time to time. The fax numbers will operate 24 hours per day, 7 days a week. Cargill will automatically document the arrival date and time of each such faxed Form, which shall be conclusive as to date and time of arrival of the Form, absent manifest error. All such Forms must be received by Cargill within 60 hours of the date and time of the arrival of the group of Sick Pigs at Producer's facility. Cargill will not make any allowance or provide any compensation for the group of Sick Pigs where Producer's Form arrives more than 60 hours after the date and time of arrival of the group of Sick Pigs at Producer's facility.**
- C. Cargill will attempt to contact Producer at the phone number(s) listed on Producer's Form as soon as reasonably possible, but in any event during the following working day, to review the status of any group of Sick Pigs and to consider the proper steps to be taken for any group of Sick Pigs. Producer shall further allow Cargill and any veterinarian acting for or on behalf of Cargill to examine any group of Sick Pigs, and to consult with any other veterinarian which may have examined or treated the group of Sick Pigs.**
- D. A licensed veterinarian must promptly attend to any group of Sick Pigs and initiate proper treatment within 48 hours of the pig's arrival at Producer's facility. The veterinarian must document all diagnostic work-ups and methods of treatment on the PorkWorks Veterinarian Feedback Form (the "Feedback Form"), a copy of which is attached, and promptly fax the Feedback Form to the numbers identified in paragraph B above.**
- E. Producer shall track, verify as necessary, and document on the PorkWorks Cost of Disease Worksheet (the "Cost Worksheet"), a copy of which is attached, all costs (including drug, vet, death and culls) relating to any group of Sick Pigs. Producer shall fax the Cost Worksheet to the numbers identified in paragraph B above within seven (7) days of the arrival of the group of Sick Pigs.**

F. Seven (7) days after the date of the group of Sick Pigs' arrival at the Producer's facility, Cargill will evaluate the health status and prognosis of the group of Sick Pigs. Depending on the results of Cargill's evaluation and if the sickness has not sufficiently subsided, Cargill may require that the Producer hold and treat the group of Sick Pigs for up to another seven (7) days, at which time they will be re-evaluated by Cargill. If the sickness has not sufficiently subsided, then Cargill and Producer shall agree on a rebate, credit or other compensation for the group of Sick Pigs, provided that in no event shall Cargill be obligated or otherwise required to remove such group of Sick Pigs from Producer's facility, purchase the group of Sick Pigs from Producer or otherwise reacquire ownership of any group of Sick Pigs. Producer shall make payment for any group of Sick Pigs within thirty (30) days after their delivery date.

G. Producer understands and agrees that Cargill is under no obligation to provide or pay to Producer any rebate, credit or other compensation of any kind whatsoever for the group of Sick Pigs, as all pigs sold by Cargill to Producer are sold "as is", with no health warranties express or implied. Further, no payment, rebate, credit or provision of anything of value by Cargill to Producer under this Procedure for the group of Sick Pigs shall obligate Cargill to other or future payments or compensation of any kind, and is not an admission by Cargill of any liability.

PorkWorks Health Feedback Form

This form is only to be used when PorkWorks Pigs are clinically sick upon or within 48 hours of arrival. The Producer must complete and fax to Dr. Eric Christianson at 1-641-592-1291. The fax machine will record time of faxing and this time must be within 60 hours of time of pig arrival.

Producer _____ Address _____

Herd Veterinarian _____ Veterinarian's Phone/Fax _____

Date of Pig Arrival _____ Time of Arrival _____

Average of Weight of Load _____ Pig Price _____

Description of problem:

Veterinarian's Presumptive Diagnosis: _____

Treatment initiated and plans for further treatment: _____

Comments (for Cargill office use only)

PorkWorks Veterinarian Feedback Form

This form is to be completed by the herd veterinarian.

Veterinarian _____ Veterinarian Phone/Fax _____

Producer _____ Address (Town) _____

Cargill Representative _____ Date of Pig Arrival (Month) _____

Description of Situation

Diagnosis

(Please attach any copies of diagnostic lab records or in-clinic diagnostic work-ups, along with a description of post-mortem findings.)

Treatment, management changes and response

***** Please fax this form to Eric Christianson DVM at 1-641-592-1291 *****

PorkWorks Cost of Treatment Worksheet

This form is to be completed by the Producer and faxed to Dr. Eric Christianson at 1-641-592-1291 within seven days after pig arrival, or after the disease has subsided if Cargill has granted Producer an extension past seven days.

Producer _____ Date of Pig Arrival _____

Diagnosis of Disease:

Has the Veterinarian faxed in PorkWorks Veterinary Feedback Form? _____

List medications, amounts and total costs:

Total pigs dead (if any) _____

EXHIBIT C**PorkWorks – P2 Pig****Blemished Pig Adjustments**

| <u>Discount Type</u> | <u>Malformations</u> | <u>Value *</u> | <u>Discount *</u> |
|-----------------------------|-----------------------------|-----------------------|--------------------------|
| 1 | Permanent Lameness | 0% | 100% |
| 2 | Dead/Discard w/in 24 hours | 0% | 100% |
| 3 | Severe Humpback | 0% | 100% |
| 4 | Scrotal Rupture/Belly Bust | 0% | 100% |
| 5 | Lame w/ Swelling | 50% | 50% |
| 6 | Prolapse | 50% | 50% |

* As a percent of healthy, normal pigs within the group.

EXHIBIT D

PorkWorks P2 Pig Price Matrix

| | |
|----------------------------------|---------------------------|
| Pig Starting Weight | <u>55</u> Lbs. |
| Market Weight | <u>280</u> Lbs. |
| Total Days (fill to fill) | <u>133</u> |
| Mortality Percentage | <u>2.75</u> % |
| Cull Percentage | <u>.75</u> % |
| Interest Rate | <u>Prime + 1</u> % |
| Feed Conversion | <u>3.0</u> |
| Total Pounds of Feed per Head | <u>625</u> Lbs. |
| Expected Daily Gain Fill to Fill | <u>1.79</u> |
| Turns per Year | <u>2.74</u> |
| Vet/Med/Feed Medication | \$ <u>2.0</u> |
| Market Hog Freight | \$ <u>2.117</u> |
| Estimated Return/Pig Space/Year | \$ <u>40⁰⁰</u> |

