



Freeland Bean & Grain, Inc.  
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January 5, 2019

**To our valued customers:**

It has now become necessary for us to update our credit policy for all outstanding accounts, and for future credit business in 2019.

Credit availability and requirements are changing in our industry. We are now facing even greater scrutiny from our bank to provide more information about extending credit, and to also provide proof of a perfected UCC crop lien to show that we have clear title to the grain and/or beans pledged to us as collateral. Now if a receivable lapses to 60 days or more past due, we no longer are able to use it as collateral to borrow against.

With all that said we have now decided to make the following changes: Effective January 31<sup>st</sup>, 2019 all fertilizer, chemical (crop protection products), and seed purchases which are charged to accounts will be priced with a **10%** cash discount instead of the customary 5% that we have billed for several years. We are also increasing our service charge for past due accounts from 1.5% to 2.0%. Our discount dates will remain the same, products invoiced from the 1<sup>st</sup> to the 15<sup>th</sup> of the month will have until the 30<sup>th</sup>, or 31<sup>st</sup> of that month to be eligible for the cash discount, service charges will start to accrue the end of the following month. Products invoiced from the 16<sup>th</sup> to the 30<sup>th</sup> or 31<sup>st</sup> of the month will have until the 15<sup>th</sup> of the following month to be eligible for the cash discount, service charges will start to accrue the end of the following month.

We are also requiring all past due balances to be paid in full prior to doing new credit business for 2019.

We would like to meet with you on an individual basis early to discuss your credit needs for 2019, and to make sure we have our UCC liens in place if applicable before the season starts if you want longer term credit.

We also offer John Deere Financial (Farm Plan) with a rate of Prime + 6.5% APR with payment options that extend to the following January.

If your account(s) with us are in good standing, and your payment history is on time, it will not be necessary for you to go thru the approval process for 2019.

These are challenging times but we feel it was necessary for us to make these changes, we no longer have the ability to tie up large amounts of capital in receivables, and still be able to pay our bills on time, and continue to conduct our grain and edible bean business as necessary.

Thank you for your cooperation and continued support.

Sincerely

Roger, Victor, and Troy Hupfer