WYOMING SUGAR COMPANY

COMPANY POLICY

Subject: Acre Abandonment
Date: August 17, 2021

On August 17, 2021, the Board of Directors of Wyoming Sugar Company ("WSC") adopted a policy to address crop abandonment. The Board recognized the importance of factory throughput to stability and success of WSC. That every acre contracted by individual Growers is important to all Growers in the aggregate; therefore, good agricultural practices and diligence in growing and delivering the best crop possible is expected of every Grower under contract with WSC.

Pursuant to the Governing Documents of WSC and the Master Contract every Grower has an OBLIGATION TO GROW AND DELIVER SUGARBEETS FOR PROCESSING. Failure to meet this obligation, unless otherwise waived by the Board as set forth below shall result in the Grower being assessed a per acre penalty (Liquidated Damages) in an amount established by the Board of Directors annually and set forth in the Growing Addendum signed by Grower each contract year.

The Board of Directors understand that circumstances arise beyond the Grower's control and that such situations must be balanced with the overall success of WSC. In order to provide clear guidance and equitable treatment to WSC's Growers the following policy is adopted with respect to a request by a Grower to abandon contracted acres.

A Grower's obligation to grow and deliver sugar beets to the factory includes the obligation to replant, rather than abandon, acreage due to crop damage that occurred prior to the replant cutoff date established for Federal Crop Insurance Corporation purposes.

The term "**Abandoned Acres**" for purposes of this policy means: contracted sugarbeet acres that have been contracted to be delivered to WSC for processing that the Grower believes will not be harvested for delivery. Acres that Grower intends to destroy and replant with another crop are abandoned; however, acres that are damaged, but Grower continues to care for as part of a larger field are not abandoned.

If a Grower has sugarbeet acres that Grower desires to abandon or is unable to deliver, then the Grower must contact a WSC Agriculturalist.

If the acres are a small part of a larger field and cared for as part of that field, no further action is needed, and no penalty will be assessed.

If the acres are to be replanted to another crop (at any time during that calendar year), evaluated for an insurable loss, or the Grower cannot, for any reason, continue to care for the sugarbeet crop, then the following procedure will be followed:

A WSC Agriculturalist is to be present at anytime a Grower is meeting with an insurance adjustor who is who is evaluating sugar beets.

Upon determination of a WSC Agriculturalist, request by a Grower or an adjustor evaluating contracted acres intended for abandonment, the acres in question shall be inspected by a group comprised of the following:

a. Disinterested 3rd party with knowledge of sugar beet growing practices (UW Ag Extension Agent for example)
b. WSC Agriculturalist
c. WSC Board Member from the Grower's district
d. WSC Board Member from outside the Grower's district

The inspecting Group shall determine, using their personal experience in the sugar beet industry, if the crop has the potential to result in an economically harvestable crop.

a. If the answer is YES, then the Grower is obligated to properly care for the crop and deliver it for processing. The WSC Agriculturalist shall monitor the crop's progress and report the finding to WSC's president who shall keep the Board of Directors informed.
b. If the answer is NO, then the Grower shall receive a written notification of the Growers right to abandon the acres in question; however, **the Grower shall be charged the per acre liquidated damages fee established by the Board of Directors for each contract year**.

If the Grower feels that circumstances warrant a waiver of all or part of the liquidated damages fee, the Grower, may appeal to the Board of Directors, whose determination shall be final. The Board shall not waive the fee in circumstances where the Grower receives insurance proceeds or other third-party compensation for the crop in an amount greater than 50% of the value of comparable (flood vs sprinkler irrigation for example) sugar beet acres in the same county for the same crop year.

WYOMING SUGAR COMPANY
BOARD OF DIRECTORS:

By: _____
Tom B. Clark, Chairman

ATTEST:

_____
Landis Benson, Secretary

Revised May 10, 2022