

GRAIN DEPARTMENT UPDATE



Attention All Grain Producing Patrons:

Due to economic costs sharply rising in virtually all operational areas, the Producers Cooperative Association will be implementing changes to its Open Storage, Delayed Price (DP)/Price Later, and Grain Bank policies and rates. As well as updating its Storage Disposition policies. These changes will take effect January 1, 2024.

Updated Grain Storage Rates

On January 1, 2024, Open Storage rates for all grains, including Grain Bank, will change from \$0.05 per bushel per month (\$0.00166/bu/day) to \$0.07 per bushel per month (\$0.00233/bu/day). This change is essential to cover increased infrastructure and maintenance costs, financing costs, and economic growth factors. In addition to the updated storage rates, PCA will be increasing the number of free storage days. From the time of delivery, you will now have 20 days of free storage. If not sold within the 20 days of free storage, storage will begin to accumulate on a per-ticket basis beginning on the day of delivery at the elected disposition rate per our current policy.

Delayed Pricing (DP)/Price Later rates will remain unchanged at \$0.05 per bushel per month (\$0.00166/bu/day).

Current Grain Storage Balance and Billing

On January 1, 2024, all current Open Storage and Delayed Price (DP)/Price Later fees will be accounted for and deducted from the settlement at the time of pricing and/or payment per our current policies and procedures. Grain Bank fees will be accounted for and invoiced monthly per our current policies and procedures as well. There will be no change to how Open Storage, Delayed Price (DP)/Price Later, and Grain Bank fees are invoiced or received.

Updated Storage Disposition Policy

Once issued, Delayed Price (DP)/Price Later contracts cannot revert to Open Storage or Grain Bank per current guidelines. However, PCA will be happy to assist when calculating grain usage to patrons using Grain Bank and is interested in taking advantage of Delayed Price (DP)/Price Later storage savings.

These modifications are vital for the Producers Cooperative Association to remain financially stable and competitive in an ever-changing economy. If you have any questions or would like to elect your grain to be moved to another disposition, please contact the Producers Cooperative Association Grain Department for more information. Thank you for your understanding and continued support.

Cooperatively,

A handwritten signature in black ink that reads 'Steven Miller'.

Steven Miller
Grain Department Manager
Producers Cooperative Association