Shareholding Opportunity— Ashley Rowland, Buying Point Representative

If you wish to purchase additional shares in Premium Peanut, LLC or know a grower that does not currently have shares in Premium and would be interested, please contact your respective buying point. Shares are $175 per unit. We are offering up to 80,000 units. As before, one unit is equivalent to one ton delivered. You must be able to provide the acres and yield to fulfill the desired number of shares. Keep in mind that in order to receive a dividend for the 2017 crop all paperwork needs to be turned in well before harvest season, so please turn yours in as soon as possible. We have already received several new shareholders’ paperwork and payments and look forward to more to come!

Premium Peanut Scholarships— Gary Evans, COO

Back some time ago Premium Peanut endowed two scholarships with Wiregrass Technical College. This was driven by our commitment to our community and backed by CCML, the institution that provided our New Market Tax Credit financing on the original shelling plant project. The scholarship is intended to encourage capable students to enroll in the Industrial Systems Technology program, since employees with these skills are among the most difficult to recruit in our area. We are pleased to announce that the endowment has now earned enough to enable the funding of two $400 scholarships. These scholarships are for students enrolled or enrolling in the Industrial Systems Technology program, and this particular offering is for the summer semester. As part of our agreement when the scholarship was set up, family of Premium Peanut employees and family of Premium Peanut shareholders are given preference for these scholarships. Also, if the student is outside the Wiregrass service area the scholarship is transferable to another Technical College System of Georgia school. If you are interested and want an application or just have further questions please contact Mona Paulk, Wiregrass Executive Director, at 229-468-2102.
A letter from our CEO, Karl Zimmer

It continues to be very busy times at Premium Peanut. So far this year, we have set records for shelling volumes and sales, closed on a significant refinancing that will provide us more than enough liquidity for many years to come, registered a new stock offering with the Georgia Secretary of State, and are working with a partner to open a new buying point in Statesboro, Georgia. And, maybe of even greater importance, we continue to generate a profit every month – building value for our shareholders.

We are very excited about the sale of additional shares…we built the plant to handle up to 300,000 tons of farmerstock every year, but initially sold only 140,000 shares in Premium Peanut. So, our plan is to sell up to 80,000 additional shares to secure additional tons of farmerstock that we can process without adding any significant fixed costs, to fully utilize the investment in the shelling plant.

And, we have broken ground on a peanut oil mill and processing facility, which will ensure we generate maximum value from every peanut, including seg 2/3 farmerstock, and our oilstock (peanuts generated through the shelling process that do not meet edible grades), every year. As part of this project, we are also working to secure $3,000,000+ in new benefits through the New Markets Tax Credit (NMTC) program, similar to the NMTC deal we did on the initial shelling plant – if it happens, this has the potential to generate some immediate equity for our current (and new) shareholders.

I have had the opportunity to meet many of you over the past month, as we have hosted meetings at each buying point. But, whether we met or not, I do want to reinforce that this is your company, and we are working each day to generate more value for our shareholders. So, please don’t hesitate to call, email, or stop by if you have questions, want to see the shelling plant, or just want to learn more about your company.

Employee Bio— Shannon Parrish, Supply Chain Sustainability Coordinator

Shannon Parrish graduated from Abraham Baldwin Agricultural College in 2012 and transferred to the University of Georgia to complete her bachelor’s degree in Agribusiness. While attending ABAC and the UGA – Tifton Campus she worked at a local farm supply store and peanut buying point as well as the Environmental Protection Division Agricultural Permitting Unit.

She served as the National Agri-Marketing Association Chapter President for the University of Georgia Tifton Campus and as an ambassador for the College of Agriculture and Environmental Sciences. In 2013 she was chosen as a University of Georgia Amazing Student. During the summer of 2014 she interned with UGA Cooperative Extension under the Tift County ANR agent.

In 2016 she received her Masters of Science in Crop and Soil Science from the University of Georgia. Shannon’s Master’s thesis focused on determining the sustainability of cotton in Georgia by analyzing management practices of cotton producers throughout the state. Her research efforts assisted the Georgia Cotton Commission assess the relationship between producer sustainability and producer profitability. Upon graduation, she worked as a Research Professional II for the University promoting the sustainability of cotton and assisting with a research project to analyze field management data from Georgia peanut producers.
Production Update— Gary Evans, COO

The plant has been hitting high production numbers at excellent quality, in part due to the much better segregation at harvest this year and in part due to continually growing experience. January and February were very heavy in demand for EU product, and even with that we were able to hit new production records. March looks even better, as the EU requirements have slackened somewhat.

The big challenge being introduced at this time is getting ready for the additional tons we intend to shell for the 2017 crop year. We have developed a staffing plan and schedule and are starting to identify personnel to fill the necessary leadership and highly skilled positions that we will need to have in place for when we go to seven days a week in September. The schedule also shows when selection and hiring for the moderate and lower skilled positions will occur closer to the fall. At the same time we are identifying equipment and process changes to take the plant to the next level in throughput and quality. Our goal is to be shelling at close to an average 40 ton per hour rate by this fall. This higher shelling rate will help create space in the production schedule for necessary sanitation and maintenance activities through the year.

Overall our dedicated employees continue to step and exceed all our expectations of them. We are very fortunate to have such a great group of people working together here at Premium Peanut.

Premium Peanut Suntrust Financing Deal - Marshall Spivey, CFO

Premium Peanut has had great success in its 1st year of operation, and is now consistently generating a profit every month and building equity for our owners. The initial funding for the construction of the shelling plant was provided by AgSouth, and we appreciate their continued support, including new loans to new and existing shareholders to purchase additional stock in the company.

Now, we have launched several expansion projects which will allow the company to create more value for our shareholders. As part of these expansion projects, we recently completed a new financing agreement through SunTrust Bank. The deal is a syndicated financing option involving nine different banks, which offers Premium Peanut a great deal of flexibility for current and future growth. This new financing includes the remaining debt from the initial Shelling Plant construction, new funds for the Oil Crushing Plant construction, and provides a line of credit which Premium Peanut will need for working capital (especially during harvest season). Overall, this syndicated banking deal will allow Premium Peanut to purchase more tons of farmerstock, timely pay options at harvest, and build the new Oil Mill Facility. We are excited about the financing deal, and the opportunity it offers Premium Peanut to provide more future value for our shareholders.

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<th>Bank</th>
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<tr>
<td>Heritage Bank</td>
<td>Ginger Proudfoot</td>
<td>(912) 427-1473</td>
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<tr>
<td>Synovus Bank/Sea Island Bank</td>
<td>Chad Wiggins</td>
<td>(912) 489-9282</td>
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<tr>
<td>First National Bank of Coffee County</td>
<td>Stephen Lewis</td>
<td>(912) 384-1100</td>
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<td>AgSouth Farm Credit</td>
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<tr>
<td>AgGeorgia Farm Credit</td>
<td>Michael Tankersley</td>
<td>(229) 468-5900</td>
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<tr>
<td>Ameris Bank</td>
<td>Tommy Wyatt</td>
<td>(229) 985-4040 Ext. 16166</td>
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<tr>
<td>Colony Bank</td>
<td>Scott Miller</td>
<td>(912) 384-3100</td>
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<tr>
<td>Douglas National Bank</td>
<td>Luke Morgan</td>
<td>(912) 384-2233</td>
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Harvest Season Segregation is Paying Off—Ronnie Meyers, Farmerstock and Quality Supervisor

During this year’s harvest season, we implemented a new segregation plan at the buying points. It included 8 different segregations based on all grade factors, aflatoxin test results, high/low risk acres, and seed variety. Each warehouse was assigned a segregation prior to the season, and all buying point personnel were trained on how to properly assign loads to the different warehouses. By segregating this year’s crop in different warehouses, we are able to blend lesser quality peanuts with great quality peanuts in the plant to improve our yield, our finished grades, and aflatoxin results.

The buying points did a great job segregating the crop and it is paying off! The plant’s first-pass yield has improved significantly, and our aflatoxin results are better than the rest of the southeastern peanut industry.

New Varieties Released

UGA has released the new “Georgia-16HO” which is a high yielding, TSWV resistant, large-seeded, runner-type peanut variety.

USDA-ARS and UGA jointly released the “TifNV-High O/L” which resulted from a cross between Tifguard and Florida-07. The new variety offers high yields, excellent resistance to TSWV and the peanut root-knot nematode.

We will have test plots of both varieties this year. We will be collecting data, running various tests, and analyzing these varieties for oleic fatty acid content, grades, yields, etc. Test results and photos will be available throughout our trials.