

PREMIUM PEANUT



Newsletter

October 2017



A letter from our CEO, Karl Zimmer

Harvest is underway, and we are shelling and shipping the 2017 crop! Overall quality, especially in regards to aflatoxin, looks excellent, which is very good news for our growers, for Premium Peanut, and for our customers - after two challenging years. The plant is running 24 hours a day, 7 days a week, and shelling record amounts. We are also now at our full staffing level of ~190, with the next significant round of hiring to happen when the oil mill starts operation early next year.

We have a number of challenges to overcome in the next year, but are excited about the growth we have experienced, and the value we are creating for over 350 shareholders in 28 counties. For the 2017 crop, we expect to handle over 250,000 tons, and increase of over 50% from 2016. The ongoing stock sale has been a great success, with over 70,000 new shares sold – representing 70,000 new farmerstock tons that we can rely on each year.

A Letter from our CEO, Karl Zimmer– Continued

We have also finalized the financial results for our 2017 fiscal year (September 2016 – August 2017), and exceeded the financial commitments made to our grower/owners in the prospectus documents, as well as the commitments made to our banking partners. The full details will be shared in a shareholder meeting in early 2018, which is when we also plan to distribute dividend checks (from the 2016 crop).

As you will read about in this newsletter, we unfortunately had an employee injured on-site. Safety is an absolute priority for us, and while we are grateful that the injured associate should make a full recovery, we take the incident very seriously and will implement learnings from it to ensure we continue to operate safely, every hour of every day. On a positive note, you can also read about the details of our mobile clinic in this newsletter; this service is available to all shareholders, and their families. Please take advantage of it!

Thanks for your continued support of Premium Peanut.

Buying Point and Farmer Stock Update— Ashley Rowland, Buying Point Representative

One of our most significant accomplishments this year has been the turnout of our stock offering. We sold over 70,000 shares, receiving tremendous support from growers around the state, which will only help to increase the future value the company can deliver to our customers and shareholders. That being said, we do still have stock available if you or a fellow grower are interested.

As the buying points are processing and receipting loads, our DMA issues loan checks on Tuesdays and Thursdays of every week. Premium issues option payments on contracted tons bi-weekly based on warehouse receipts. This gives a one week lag between the time your receipt is processed and the option payment is issued. If your peanuts are direct purchased, we are issuing checks for those once every week. For seg 2 and 3 peanuts, those will be paid once per month beginning in December.

Many of our growers have signed up to receive text messages of their grades and find it very helpful during harvest. Texts are sent out as soon as your load is graded and include farm number, trailer number, moisture, grade factors, and gross weight. If you are not set up already, contact your buying point.

Peanut Industry Sustainability Initiative— Shannon Parrish, Supply Chain Sustainability Coordinator

The American Peanut Council recently held a Sustainability Task Force Meeting at the end of September. The discussion centered on how to combine the Flint River Soil and Water Conservation Sustainability Project, currently being steered by Casey Cox, the Executive Director of the conservation group, with a project organized within Field to Market's Fieldprint Calculator. Both projects assist a farmer with determining his/her level of agricultural sustainability; however, the Fieldprint Calculator focuses on the field level while the Flint River Project looks at the overall farm level. All parties present agreed both projects should be able to be combined and voted to move forward with the funding for a project within Field to Market that would take the data currently being collected and analyze it based on several different metrics. Discussion of how to merge the two projects will continue over the next several months and updates will be given at the American Peanut Council's Winter Conference in Washington, D.C. in early December.

Peanut Industry Sustainability Initiative—Continued

A preliminary analysis of the 2016 farmer data is currently underway, led by Dr. Marshall Lamb of the National Peanut Research Laboratory. Collection of 2017 crop year will begin in December and the committee is hoping to increase the number of farmers participating in the survey process. Although we have not fully committed to providing data for a project with Field to Market, it is important for Premium to be a part of the discussion to provide a voice for our growers. In the sustainability movement, it is necessary for all members of the peanut community to assist the committee with the achievement of a project that will show the natural agricultural stewardship of our farmers in a positive way.

Launch of 2017 Crop— Gary Evans, COO

The plant is now shelling the 2017 crop! So far, the quality and yield have been excellent. Our largest issues have been dealing with the high moistures, which can make rail and container shipment a challenge, and a lack of splits. Both of these items will resolve themselves as the crop ages. Our new bagger is up and running and exceeding our expectations. The ramp-up to seven days has gone smoothly, and the changes to reach 40 tons per hour are also working out well. We have shelled over 1,000 tons of farmer stock in 24 hours, which is an impressive feat.

One bad piece of news was that we had a serious injury when a new employee was struck by a semi-trailer at the dump pit. Thankfully none of his injuries were life threatening, and he was flown to Macon where they operated on two broken bones in his leg. He is expected to make a full recovery, and we are reviewing the events that led up to his injury to make it safer in the future.

CRMC Mobile Clinic Update— Courtney Callahan, Customer & Projects Coordinator

We are proud to announce that our CRMC mobile clinic is now in full operation onsite! Conveniently located toward the front of our shelling facility, the mobile clinic opened on Monday, October 9, 2017 to all employees, shareholders, and their families ages 4 and up. The convenience of the clinic has already proven to be an effective and beneficial option for our staff and their families. The clinic's hours of operation are Monday through Friday from 7:00 A.M.- 9:00 A.M., with each visit costing only ten dollars (*no insurance will be filed and no appointments necessary*). We encourage all shareholders, employees, and their families to take advantage of the clinic!

Premium Peanut would like to offer our gratitude and sincere appreciation to Shelly Mclean and her team at CRMC for their labor and consistent dedication in turning this novel idea into a reality. We would also like to thank Rock Solid Cargo of Douglas for their help in constructing the mobile unit in an effective and timely manner. Upholding the standards of a healthy workforce and overall lifestyle is a high priority on Premium Peanut's spectrum, which is why we believe that providing effective, low cost medical care will continue to reap beneficial results.



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Harvest Under Way— Ronnie Myers, Farmer Stock and Quality Supervisor

Harvest is well under way, and things look great so far. Grades are much better than this time last year, and the plant is loving them. We started shelling the 2017 crop around the middle of September and haven't stopped since. All the buying points have been instrumental in keeping peanuts fed to the plant. It takes an average of 35-40 truck loads a day to keep the plant running at full capacity. GA Ag Logistics has been moving 100+ trucks a day during the harvest to feed the plant and segregate peanuts for us, all while adding improved efficiency to the buying points by aiding in turning trailers faster. It takes a team effort from the farm, the buying point, the trucking company, the shelling plant, etc. for us all to be successful and profitable. Premium Peanut would like to say thank you to everybody and happy harvest!

Contact Us

Give us a call for more information about our services and products

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