

PREMIUM PEANUT



Newsletter

September 2017



A letter from our CEO, Karl Zimmer

September will be a busy month for everyone in the peanut industry in Georgia, including at Premium Peanut. As we prepare for harvest, we continue to expect a crop that is both large, and of good quality, which we know is absolutely needed for our growers. Hopefully, the weather cooperates to allow us to finish out this crop in a great way.

We believe we are well prepared to handle the large crop as efficiently as possible. Over the past year, we have worked with our software provider, the Seam, to make several enhancements to allow our growers to get even more real-time, accurate information as they harvest peanuts this year. Farmerstock warehouses are empty, and prepared for 2017 farmerstock, and we will begin shelling it in September, as well.

A Letter from our CEO, Karl Zimmer– Continued

Effective September 1, we moved to shelling 7 days a week, 24 hours a day. This move not only will increase our overall shelling capacity, but will add jobs and also reduce costs as we will be running the plant with less overtime hours. The shelling team continues to focus on improving overall edible yields and reducing oilstock, while maintaining the high levels of product quality we produce. The oil plant continues to progress very well – on-time and under budget – and we will begin crushing in March 2018.

We are also excited about the new health clinic initiative, that you can read about in this newsletter. This will allow both our employees and shareholders, and their families, the opportunity to access primary care quickly, easily, and efficiently. This initiative should reduce our overall healthcare costs, and reduce the amount of time needed away from work by our employees when they or their families need to visit a healthcare professional.

Some other great news is that our expansion plans continue to progress very well. Prior to September 1, which was the deadline to be eligible for the 2017 crop dividend, we sold over 70,000 shares of stock, which exceeded our expectations. This will allow us to more fully utilize the shelling plant's capacity, and better serve our customers for years to come. This expansion also includes the addition of 3 buying points: Tillman & Deal in Statesboro, Producers Peanut in Bartow, and Four Corners in Meigs.

Thanks for your continued support of Premium Peanut.

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

As harvest season quickly approaches, it is important to remember that quality is key. It is imperative that we segregate lower quality peanuts from high. If we are shelling out of a farmer stock warehouse that is a mixture of low and high-quality peanuts, we are losing money and time. You as a grower can be a tremendous help with this. If your peanuts are stressed, alert your buying point manager, so those peanuts can be placed into the proper warehouse. This in no way impacts your payment as that is based on USDA grade. However, it tremendously helps Premium Peanut achieve the most value out of every pound of peanuts delivered.

Also, remember you only receive \$0.07 for LSKs vs \$4.80 for SMKs. This is not only a huge reduction for the grower on your 1007 but also for the shelling plant. Most LSKs go straight to oilstock. Keep in touch with your buying point manager and take advantage of our Producer Portal, so you can stay on top of your LSK percentages as soon as your peanuts are being graded.

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

Over the last several months we have been focusing on identifying research initiatives that could prove valuable to you, our growers. We want to be able to provide you with new innovative methods that would be beneficial to your farming operation. Our efforts have focused on identifying and observing research projects that will help you increase yield, maturity, and quality of your peanuts. At the end of August, we saw very promising results from a field trial that has been replicated for several years at the National Peanut Research Lab. We are excited about the opportunities that have been presented to us and we hope to have some of these projects implemented within the next few peanut growing seasons.

CRMC Introduces Mobile Clinic— Lee Taylor, Vice President

Over the last few months, Coffee Regional Medical Center, in conjunction with Premium Peanut, has designed a mobile clinic to provide much needed on-site medical care to local industries in Coffee County. The project began after Premium Peanut inquired about having a clinic for its employees inside the shelling plant. Premium wanted to be able to improve the overall health of its team by having convenient, low cost health care easily available to employees. After much consideration and discussion, the plan for a mobile clinic was developed.

This new mobile clinic will be the first for CRMC, and Premium Peanut will be the first company to utilize the clinic. The mobile unit is being constructed by Rock Solid Cargo of Douglas. It will have a waiting area, restroom, lab, and examination room. The clinic will be manned by a certified physician's assistant and a nurse's aide. Patients will be able to receive basic medical care just like they would if they were visiting their primary care physician. Patients will be able to get blood pressure checks, blood sugar checks, and basic physical exams along with a comprehensive list of other services. The PA will be able to write prescriptions and refer patients to specialists, if needed. This clinic will operate onsite at Premium Peanut Monday through Friday from 7:00 A.M.– 9:00 A.M., starting October 2, 2017. Each visit will cost just ten dollars, paid at the time of your clinic visit. No insurance will be filed.

The mobile clinic will also be open to Premium Peanut shareholders and their families ages 4 years and up. Shareholders will be able to visit the clinic for their basic healthcare needs at a very low cost. The convenience of the mobile clinic should make it easier for Premium employees and shareholders to receive low cost medical care and live a healthier life.

Crop Change at the Plant— Gary Evans, COO

We have just finished shelling the last of the "06G" peanuts from the 2016 crop. We are doing a little rework to reclaim some failed lots that have accumulated over the course of the last few months, and then will shut down for changeover. Much like getting ready to plant or harvest, getting ready for a new shelling year requires a lot of preparation. First, we have to completely clean the plant, top to bottom, to remove any and all traces of peanuts from the previous crop. All the equipment has to be gone through, greased and oiled, bearings and belt replaced – because once we go back up we cannot afford much unscheduled downtime due to equipment failure. This is also a time for upgrades that can't be done while we are running. We are installing a new bagging system that will allow more throughput with more reliability and less weight variation bag to bag. We have already installed and tested modifications that will allow us to shell upwards of 40 tons per hour when we come back up. This is key to shelling the expected record 2017 crop. And then, as you all know, peanuts are different every year. The fan speeds, shaker speeds, grates, screens, and optical sorter settings that worked for 10 month old peanuts from 16 crop will probably not work for the nice light skinned, higher moisture peanuts we will be seeing at the start of shelling 17 crop in a few weeks. But we are up to the challenge and looking forward to starting another successful year.



Premium Peanut

311 Barrington Road

Douglas, GA 31535



Buying Point Improvements— Ronnie Myers, Farmer Stock and Quality Supervisor

All of the buying points this year have been working hard all summer on various projects to help maximize the value and quality of the peanuts they put into storage this peanut season. New cushion boxes, warehouses, trailers, elevators, etc. are a few of the projects that will be put into place before this peanut season. These items help minimize shrink in storage which also helps the shelling plant get every cent out of your peanuts. Projects like these also aid the buying point in being more efficient so they can turn trailers faster to help keep your pickers going. This is going to be a busy year and hopefully large crop. I urge you to work closely with your buying points to make this peanut season your best season yet.

Contact Us

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

Premium Peanut

311 Barrington Rd.

Douglas, GA 31535

(912) 331-7020

Visit us on the web at :
www.premiumnut.com