



CHS INC. 2010 SUNFLOWER CONTRACT

PO Box 169 Grandin, ND 58038 (701) 484-5313

I. The undersigned, as agent for CHS Inc. (CHS), enter into the following contract with (hereinafter referred to as Grower):

II. Grower agrees to grow _____ acres of sunflower hybrid(s) _____ and identity preserve and deliver _____ pounds of the sunflower produced from these acres to the CHS delivery point at _____. CHS agrees to purchase the delivered pounds at a guaranteed price under the following terms which include the terms and conditions on the reverse side of this page:

A. PRICING MECHANISM. Grower elects the following mechanism for determining the Contract Price (One option must be checked "X"):

- Contract Price will be \$ _____/cwt
Contract Price will be the average of the initial price and secondary price as follows:
1. Initial price of \$ _____/cwt
2. Secondary Price is \$ _____/cwt ("Basis") above the average of the Enderlin NuSun posted "Act of God" October 2010-June 2011 contract price on the day elected by the Grower on or before May 15, 2010.

Should Enderlin not quote a price for the aforementioned NuSun contract, the price of the nearest contract being quoted shall be used. CHS reserves the right to adjust the Basis price should the Enderlin NuSun price change due to adjustments in delivery or quality specifications reflected in the Enderlin NuSun price as of the date hereof.

Contract Price will be payable on delivery of Sunflowers. Delivery to any point other than the destination listed shall be agreed upon by both parties in writing prior to actual delivery taking place. Deliveries to be made per confirmation of authorized CHS personnel.

- B. Prices are delivered prices to CHS or the cooperating elevator issuing this agreement. Delivery to any point other than the destination listed shall be agreed upon by both parties in writing prior to actual delivery taking place. Deliveries to be made per confirmation of authorized CHS personnel.
C. CHS will allow up to 20% of the contracted pounds (the "Allowed Amount") to be delivered at the Contract Price prior to January 1, 2011. Should delivered pounds exceed the Allowed Amount, the price of the pounds exceeding the Allowed Amount shall be discounted at the rate of \$.02/cwt/day for each day received prior to January 1, 2011. Payment for contracted pounds delivered after January 1, 2011 shall be as follows:

Table with 2 columns: Month (Jan 2011, Feb 2011, Mar 2011, Apr 2011, May 2011, Jun 2011) and Contract price details (e.g., Contract price plus \$0.10/cwt).

- D. Grower will be responsible for maintaining product quality in storage, and provide access to stored product for routine inspection by CHS
E. Sunflower shall be field run and over a 12/64 round hole sieve. All foreign material is dockage deductible. Foreign material will be docked at a rate of 1% or each 1% up to 12%. Foreign material in excess of 12% will be docked at a rate of 2% for each 1% over 12%. Test weight shall be a minimum of 22 pounds per bushel. Sunflower delivered in excess of 10% moisture will be docked 0.2% for each 0.1% moisture over 10%. Sunflower delivered in excess of 11.0% moisture will be accepted at the buyer's option and will be subject to drying charges in addition to the moisture dockage. Sunflower delivered in excess of 1.5% insect damage will be subject to a price reduction of \$0.50 per cwt for each 0.25% or fraction thereof insect damage over 1.5% to 3.5%. (Example: Sunflower containing 3.0% insect damaged seed will be subject to a \$3.00 per cwt price reduction.) Sunflower delivered in excess of 3.5% insect damaged seeds will be accepted at the buyer's option and may be subject to additional price reductions. Sunflower having quality problems such as admixture, frost damage, insect infestation, over 1.0% dark roast, over 1.0% sclerotia, over 1.0% black spot, damaged kernels, excessive seed coat damage (scuffing) or excessive weather damage so as to impair its marketability will be accepted at the buyer's option and may be subject to price reductions. Samples containing cockleburrs in excess of 8 per pound are subject to rejection or price discounts at the buyer's option. Sunflower shall be of edible quality for human consumption and shall comply with governmental standards for such.
F. Sunflower delivered against this contract shall be exclusively of the hybrids listed above. All other hybrids are ineligible to be delivered against this contract unless approve by authorized CHS personnel in writing.

Having first read, and fully understanding this contract, each party to this contract sign below, acknowledging his acceptance of all details and conditions as outlined herein.

Signature lines for Grower, Date, CHS Inc. or Cooperating Elevator as Agent, and Date.

Signature lines for Landlord Signature if applicable and Representing.

Grower and CHS agreed to the following terms and conditions to be part of this Contract:

1. In order to ensure that seed grown under the terms of this contract fit CHS requirements, the Grower agrees to purchase his seed stock requirements from CHS. Grower will have a choice of varieties until seed of that variety is exhausted, after which, alternative varieties may be substituted by CHS. Any indebtedness of the Grower to CHS, including input costs, shall be due and payable on demand with legal interest. At CHS option, CHS may withhold from any payments due under this contract, the amount of any lien, rent, charge, or other encumbrance existing on or asserted by CHS against the Grower's crop. CHS shall have an agricultural lien on any crop produced by Grower as a result of this contract during the 2010 crop year and shall have all remedies to enforce the lien as provided by law, to secure payment to CHS. As a seed customer you are eligible to request non-binding arbitration of any claim of defective seed or other violation of this agreement. Requests for arbitration shall be made in writing to the Commissioner of Agriculture (Attn: North Dakota Agricultural Mediation Service Administrator, 600 East Boulevard, Bismarck, ND 58505). All requests must be filed within 60 days after the alleged defect or violation becomes or reasonably should have become apparent. If you fail to request arbitration within 60 days after the alleged defect or violation becomes or reasonably should have become apparent, any civil action you might otherwise have been entitled to pursue may be barred. A request for arbitration is a prerequisite to any civil action.
2. Grower agrees to follow good cultural practices established by CHS agronomists. Sunflower shall not be planted on land that was planted to sunflower, canola, or edible beans in 2008 or 2009. Plant population shall not exceed 17,000 plants per acre. Grower shall remove corn, cocklebur, oil type sunflower, and irregular seed type sunflowers from his contracted acreage. Grower agrees to control seed weevil and banded sunflower moth by applying an approved pesticide **twice** at the appropriate time to reduce kernel damage caused by these pests.
3. **THE LEGAL DESCRIPTION of the contracted acreage must be given to CHS in writing by June 20, 2010.** If the legal description is not given to CHS by June 20, 2010, CHS has the option to cancel this contract. If less than the total contract acreage exists on July 31, 2010, it will be an option of CHS to prorate the pounds to be delivered under this contract accordingly. Should CHS exercise either of the above options, CHS must notify Grower by certified letter postmarked before September 1, 2010.
4. The sunflower weight, grade, and dockage for establishing price will be determined on each truckload by CHS. A sample of seed grading over a 20/64 round hole sieve (Agway XL® seed grading over a 10/64 X 3/4" slot sieve) shall be used to determine the percentage of insect damage. Percentage of insect damage to be total damage visual and internal.
5. Grower agrees to furnish information relating to his contracted sunflower to CHS promptly upon request. CHS may request information during the growing season relating to the progress or estimates of yield, and also after harvest, requesting actual harvested acres and yields.
6. Neither party shall be liable for failure to perform its obligations under this contract if such failure is caused by fires, strikes, accidents, or acts of God such as flooding, hail, frost, or other severe weather problems, or the public enemy or other causes beyond the reasonable control of the parties hereto including, without limitation, the ability of CHS to obtain the seed stock to be provided to grower. Should said event occur, CHS or Grower shall notify the other in **writing within 10 days** of the occurrence of the event. If this written notice is not given within 10 days, the obligations of the parties under this contract remain in full force and effect. Grower hereby agrees if any sunflowers are actually harvested upon the above-described tracts of land owned or leased by Grower, then and in that event, CHS shall be entitled to acquire all of such harvested seed in accordance with the terms and conditions of this contract.
7. This contract shall not be construed as a partnership or joint venture between Grower and CHS. CHS is not liable for any losses or failure to make profits nor for any expenses or liabilities Grower may incur. The costs of all seeding, cultivating, weed control, fertilizer and harvest cost will be borne by Grower.
8. CHS shall have, and is here by given, the right of first refusal to purchase, at market price, any and all production in excess of contracted pounds produced by Grower.
9. Grower shall not assign or delegate his rights, duties, privileges, or obligations under this agreement, without the prior written consent of CHS. Unless this contract is signed by a landlord, CHS shall be entitled to presume that Grower has controlling interest on all production from the contract acreage and that all of the above pounds grown on the contracted acreage will be delivered to CHS against this contract.
10. This agreement contains the entire agreement of the parties relating to the subject matter hereof and supersedes all prior understandings and agreements.