You do not have to be a storage owner for Fengrain to process, dry and store your grain.

### Why Central Storage?

- Storing grain centrally has many benefits:
  - Full grain management service
  - No worries - processing /drying / storing
  - Flexible storage space
    - to help with yield variations
  - Added value marketing
  - Cost effective management of grain
  - Better utilisation of existing facilities and cash flow
  - Low cost long term asset

- End users are demanding more vigorous testing regimes; a high proportion of grain will be VENDOR ASSURED from a central store.
- Fengrain offer comprehensive grain management services, storing both at our 100,000t facility at Wimblington and off site stores.
- Specific benefits are detailed but there are many other benefits to support growers.
- Our charges are transparent with all known associated costs of central storage detailed below.
- Storage owners are represented through an advisory committee.
- It is company policy that it should be more cost effective to own space rather than rent at Fengrain.

### Fengrain Storage Ownership - Special Benefits

- Enhanced drying charges for cereals, now start at 16.1% moisture and rape 9.5% moisture.
- Special price for grain processing.
- A haulage subsidy of 10p per tonne per mile up to a maximum of £4.00 on all deliveries made to store that are allocated to your space.
  - Fengrain must be notified of arrangements for haulage before the subsidy is applied.
- Subject to availability and by special arrangement:
  - Owners can store up to 115% of their ownership at standard member charges. Storage ownership is based on net weight.
  - Above this additional space can be secured at an additional cost per tonne. All other storage membership benefits apply.
  - Replace wet feed wheat with dry feed wheat from the store to assist in fulfilling Fengrain contracts – subject to a surcharge and all other associated costs, to be reviewed on request.
  - Grain can be marketed in special storage owner pools.
  - All costs are reviewed annually and subject to special agreement and subject to availability.
The Costs of Owning Storage
Cost of owning storage rights:
At the time of publication, the cost of owning storage rights at Fengrain is £100 per tonne. This is split into 2 separate payments of a £50 qualifying loan and £50 for ownership rights.

- **CHARGE FOR STORAGE**
  - Option 1 £50 per tonne Charged August of year of purchase
  - Option 2 £5.00 per tonne each year for 10 years with interest on any outstanding balance.

- **QUALIFICATION LOAN - 2 ALTERNATIVE PAYMENT OPTIONS**
  - 1 - £50/t one off payment No Fee
  - 2 - £25/t per year paid over 2 years No Fee

- **Should you wish to retire or sell your space**
  - The original qualifying loan will be returned after 366 days from notification of retirement or termination.
  - Fengrain will attempt to sell your storage rights on your behalf within the same period.
  - Should you wish to sell your space to another member you must formally notify us. It is important to remember that whatever your sale price, on the buyer’s retirement, Fengrain will only refund the original qualifying loan amount taken at the time of the first sale.

**Grain Management and Handling Charges**

**Annual Maintenance**
- The annual maintenance charge is reviewed annually and covers:
  - Store Maintenance
  - Grain Storage Costs
  - A contribution to haulage

- **For harvest 2017/18 the annual storage charge will be £11.50 per tonne.**
  - Storage charges, delivery charges and weight losses are all based on Delivered Gross Weight

**Over Delivery Members**
- a. Members can deliver up to 15% more volume than they own, at the standard £11.50 (Includes all member benefits).
- b. Over delivery from 15% to 50% additional, a surcharge of £1.50 over the £11.50 (including all member benefits).
- c. Over delivery above 50% additional a surcharge of £1.00 over the £11.50 (including all member benefits).

**Non Members**
- a. Non Members annual storage rates move to £15.50.
  - i. Discounted to £14.00 for min 200t
  - ii. Discounted to £13.50 for min 500t
  - iii. Non Members drying charges and no haulage subsidy

- Should members use less than their permitted space the company reserve the right to charge a non-use fee of up to 75% of the annual maintenance charge.
  - This will only ever be invoked should the store not reach sufficient capacity.

**Other Charges**
- All grain purchased “over the weighbridge” is subject to the relevant AIC 1 and/or FOSFA26A Contract along with Fengrain standard charges.
- There is a 30p per tonne weighbridge charge for grain sold to Fengrain “over the weighbridge.”
- Industry levies are applied to all grain delivered.

**Central Store Drying Charges**

**Fuel surcharge**
- Charges are budgeted at a fixed cost for fuel known at the time. Fengrain reserve the right to add a surcharge - subject to the cost of fuel inflation. This calculation is agreed annually with the Storage Committee. Any alterations to costs will be adjusted accordingly.

**Weight losses and bonuses**
- Base charge for weight loss reduction 0.5% – reviewed annually. NB – all weight losses are calculated from zero.

**Screenings**
- Cereals and Pulses - 1% weight loss per 1% screenings
- Oil seed- 1% weight loss per 1% screenings.

**Admixture**
- Cereals – over 2% admix admay result in a rejection or specific claim
- Oil seeds- 1% weight loss on 2-3% admixture and 2% weight loss on anything else above 3%
- Pulses – 2% weight loss applies to every 1% admixture above 2% admixture.

**Moisture Weight loss**
- No weight loss is taken below the following base level:
  - 15% cereals / 9% Oil seeds / 14% Pulses
- For every 1% moisture above these rates (or part thereof), 1.25% weight loss is deducted from Cereals, Pulses and Oilseeds.
- The above is calculated to 1% below the base levels as indicated.

**Oil Seed**
- Oilseed allowances for all seed delivered to store are as per FOSFA26A Contract terms subject to the following:
  - Specification is 9% moisture / 40% Oil / 2% Admix
  - Bonus payable as per FOSFA26A Contract at time of collection. These at the time of publication as follows:
    - Oil 1.5% per 1% above 40%
    - Moisture 1% per 1% below 9% (to 6%)
    - Screenings and Admix 1% per 1% below 2%

- Please note that oilseeds sold as “delivered to Fengrain” will attract “oil” bonuses only.
- Moisture bonus not payable on rape that has been dried. (ie above 9% on delivery).
- Oilseeds delivered below 6% moisture will only be taken in at the company’s discretion and terms.

**Grain Sampling and Grading**
- The Company operate a rigorous testing procedure in line with TASCC protocols. Samples are retained for a minimum of 6 months.

**Ergot and other Contaminants**
- The cost of ergot removal for non-storage owners is £15 per tonne. reduced to £10 per tonne for owners.
- There is a 3% weight reduction for any grain that is treated for ergot.

**Pulses**
- All Beans delivered to site will be treated as feed varieties.

**Payment**
- For all storage owners, all maintenance and handling charges will be invoiced in full in November.
- All storage payments are mandatory by direct debit and are due on 31st January or the next working day.

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**Maximum Moisture Levels**
- The Company reserve the right to reject grain with excessive moisture levels during peak harvest. You may be respectfully asked to hold the grain on farm until we can process it.
  - Wheat 20% / Barley 18% / Rape 12% / Pulses 18%

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