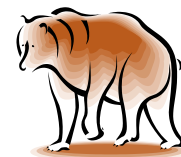




Prairie Creek Grain Company, Inc.



FOURTH AND LONG

The Balanced Portfolio Program-FOURTH AND LONG program will price a share of your **2018** corn or soybean crop each day from February 1, 2017 through July 31, 2018 for corn and through August 31, 2018 for soybeans. This program is an agreement between parties that a portion of committed bushels will be priced at 12:45pm each day the Chicago Board of Trade (CBOT), is open, trading and above a chosen floor level pre-determined before the 27th of January 2017.

The producer decides how many bushels to commit to this contract using the December 2018 futures level for corn and the November 2018 future level for beans for the **2018** crop to be marketed. The grain producer understands that delivery is required on bushels that are priced in the FOURTH AND LONG program to a location mutually agreeable to both buyer and seller for the account of the producer and Prairie Creek Grain Company, Inc.

The program prices just the futures level above the floor level chosen leaving the basis pricing to be set by the producer at any time during or after the program up to the day of delivery. Basis will be locked in on the day of delivery if basis is not set prior to delivery.

This opportunity establishes the price based off the CBOT futures and as the futures price continues to rise, the moving average of the bushels in the program go up along with it. The pricing of the bushels is determined by the amount in the program divided by the remaining days left. The higher the price goes, the higher your moving average will be.

If your "floor price" is **not** met by 12:45, **no** bushels will be priced for that particular day and those bushels will be divided out to be priced daily through the remainder of the program. If all the bushels are not priced by the end of the program, then it is up to the producer to price the remaining bushels at his/her discretion. You are not obligated to deliver or price any of the bushels not priced in this program through Prairie Creek Grain Company, Inc. There is no guarantee that any or all of the bushels will be priced.

Corn contracts will begin pricing on February 1, 2017 and end on July 31, 2018. Soybean contracts will also begin pricing on February 1, 2017, however this program will continue to price until the end on August 31, 2018 due to soybean market volatility in August.

Rolling future contracts is permitted, but only once within futures-linked months of the original crop year. The cost of each individual roll will be 3 cents per bushel plus or minus the corresponding futures spread to be determined during CBOT business hours only.

Advantages

- Removes the emotion from marketing
- No need to constantly monitor the market
- Pricing window is based on proven patterns
- Producer can choose delivery period and location
- Automatic and a solid foundation for a producer's portfolio
- Producer chooses the floor level to stop pricing
- Any bushel quantity is acceptable
- Basis can be locked in at any time by the producer

Disadvantages

- CBOT prices may rally after the end of the program
- Some aggressive floor levels may prevent bushels from being priced



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- The basis will automatically be locked in when delivery begins on the contract if the basis has not already been established
- Basis could fall as well as rise at any time

The contract fee is 7 cents per bushel for corn and 10 cents per bushel for soybeans and will be deducted from the final price at the time of the settlement. It will be the producer's responsibility to price any bushels not priced at the end of the program, any bushels not priced in this program are not obligated for any further delivery or contracts with the Prairie Creek Grain Company, Inc.

The following floor levels are examples that can be used for each commodity or you may choose your own floor level.

Corn	\$ 3.00 CZ	Beans	\$ 9.00 SX
	\$ 3.50 CZ		\$ 9.50 SX
	\$ 4.00 CZ		\$ 10.00 SX
	\$ 4.50 CZ		\$ 10.50 SX
	\$ 5.00 CZ		\$ 11.00 SX
	\$ 5.50 CZ		\$ 11.50 SX

Prairie Creek Grain Company, Inc. and producer agree that the sole remedy for resolution of any and all disagreements or disputes arising under or related to this contract shall be in arbitration proceedings before the National Grain and Feed Association (NGFA) pursuant to NGFA Arbitration Rules except as otherwise provided herein, this agreement shall be subject to the Grain Trade Rules of the National Grain and Feed Association and the Illinois Grain Code., which are incorporated herein.

Prairie Creek Grain Company, Inc. will continually evaluate the program progress, market volatility, local conditions and other factors and with agreement upon reserves the right to adjust the floor levels or stop pricing at any time during the program, if change seems to be in the best interest of our customers. However, the contract must be modified in writing and signed by both parties.

Producer further understands that it is impossible to predict future market prices for grains. Therefore, we cannot and do not make any guarantee that the prices the producer will receive under this agreement will be higher than what the producer could have received had he/she marketed their own grain.

For further information, questions or concerns please contact Cathy Chismarick @ 815-423-6604, Brett Blaser @ 708-258-3928 or Jake Payne @ 815-426-2766.

All producers must contact your grain merchandiser no later than January 27, 2016 to enter bushels into this program. Once pricing begins no bushels will be allowed into the program. NO EXCEPTIONS!